

1 AN ACT

2 relating to certain county, municipal, district, and other
3 governmental functions, procedures, powers, duties, and services,
4 including certain criminal procedures.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Article 15.08, Code of Criminal Procedure, is
7 amended to read as follows:

8 Art. 15.08. WARRANT MAY BE FORWARDED [~~TELEGRAPHED~~]. A
9 warrant of arrest may be forwarded by a method that ensures the
10 transmission of a duplicate of the original warrant, including
11 secure facsimile transmission or other secure electronic means
12 [~~telegraph from any telegraph office to another in this State~~]. If
13 issued by any magistrate named in Article 15.06, the peace officer
14 receiving the same shall execute it without delay. If it be issued
15 by any other magistrate than is named in Article 15.06, the peace
16 officer receiving the same shall proceed with it to the nearest
17 magistrate of the peace officer's [~~his~~] county, who shall endorse
18 thereon, in substance, these words:

19 "Let this warrant be executed in the county of",
20 which endorsement shall be dated and signed officially by the
21 magistrate making the same.

22 SECTION 2. Article 15.09, Code of Criminal Procedure, is
23 amended to read as follows:

24 Art. 15.09. COMPLAINT MAY BE FORWARDED [~~BY TELEGRAPH~~]. A

1 complaint in accordance with Article 15.05, may be forwarded
2 [~~telegraphed~~], as provided by [~~in the preceding~~] Article 15.08, to
3 any magistrate in the State; and the magistrate who receives the
4 same shall forthwith issue a warrant for the arrest of the accused;
5 and the accused, when arrested, shall be dealt with as provided in
6 this Chapter in similar cases.

7 SECTION 3. Article 15.19(a), Code of Criminal Procedure, is
8 amended to read as follows:

9 (a) If the arrested person fails or refuses to give bail, as
10 provided in Article 15.18, the arrested person shall be committed
11 to the jail of the county where the person was arrested; and the
12 magistrate committing the arrested person shall immediately
13 provide notice to the sheriff of the county in which the offense is
14 alleged to have been committed regarding:

15 (1) the arrest and commitment, which notice may be
16 given by [~~telegraph~~] mail[~~7~~] or other written means or by secure
17 facsimile transmission or other secure electronic means; and

18 (2) whether the person was also arrested under a
19 warrant issued under Section 508.251, Government Code.

20 SECTION 4. Article 20.011(a), Code of Criminal Procedure,
21 is amended to read as follows:

22 (a) Only the following persons may be present in a grand
23 jury room while the grand jury is conducting proceedings:

24 (1) grand jurors;

25 (2) bailiffs;

26 (3) the attorney representing the state;

27 (4) witnesses while being examined or when necessary

1 to assist the attorney representing the state in examining other
2 witnesses or presenting evidence to the grand jury;

3 (5) interpreters, if necessary; [~~and~~]

4 (6) a stenographer or person operating an electronic
5 recording device, as provided by Article 20.012; and

6 (7) a person operating a video teleconferencing system
7 for use under Article 20.151.

8 SECTION 5. Article 20.02(b), Code of Criminal Procedure, is
9 amended to read as follows:

10 (b) A grand juror, bailiff, interpreter, stenographer or
11 person operating an electronic recording device, [~~or~~] person
12 preparing a typewritten transcription of a stenographic or
13 electronic recording, or person operating a video teleconferencing
14 system for use under Article 20.151 who discloses anything
15 transpiring before the grand jury, regardless of whether the thing
16 transpiring is recorded, in the course of the official duties of the
17 grand jury, is [~~shall be~~] liable to a fine as for contempt of the
18 court, not exceeding \$500 [~~five hundred dollars~~], imprisonment not
19 exceeding 30 [~~thirty~~] days, or both the [~~such~~] fine and
20 imprisonment.

21 SECTION 6. Chapter 20, Code of Criminal Procedure, is
22 amended by adding Article 20.151 to read as follows:

23 Art. 20.151. CERTAIN TESTIMONY BY VIDEO TELECONFERENCING.

24 (a) With the consent of the foreman of the grand jury and the
25 attorney representing the state, a peace officer summoned to
26 testify before the grand jury may testify through the use of a
27 closed circuit video teleconferencing system that provides an

1 encrypted, simultaneous, compressed full motion video and
2 interactive communication of image and sound between the peace
3 officer, the attorney representing the state, and the grand jury.

4 (b) In addition to being administered the oath described by
5 Article 20.16(a), before being interrogated, a peace officer
6 testifying through the use of a closed circuit video
7 teleconferencing system under this article shall affirm that:

8 (1) no person other than a person in the grand jury
9 room is capable of hearing the peace officer's testimony; and

10 (2) the peace officer's testimony is not being
11 recorded or otherwise preserved by any person at the location from
12 which the peace officer is testifying.

13 (c) Testimony received from a peace officer under this
14 article shall be recorded and preserved.

15 SECTION 7. Article 27.18, Code of Criminal Procedure, is
16 amended by amending Subsection (c) and adding Subsection (c-1) to
17 read as follows:

18 (c) A recording of the communication shall be made and
19 preserved until all appellate proceedings have been disposed of. A
20 court reporter or court recorder is not required to take a
21 transcription of a plea taken under this article.

22 (c-1) The defendant may obtain a copy of a [the] recording
23 made under Subsection (c) on payment of a reasonable amount to cover
24 the costs of reproduction or, if the defendant is indigent, the
25 court shall provide a copy to the defendant without charging a cost
26 for the copy. The loss or destruction of or failure to make a video
27 recording of a plea entered under this article is not alone

1 sufficient grounds for a defendant to withdraw the defendant's plea
2 or to request the court to set aside a conviction or sentence based
3 on the plea.

4 SECTION 8. Article 38.073, Code of Criminal Procedure, is
5 amended to read as follows:

6 Art. 38.073. TESTIMONY OF INMATE WITNESSES. In a
7 proceeding in the prosecution of a criminal offense in which an
8 inmate in the custody of the Texas Department of Criminal Justice is
9 required to testify as a witness, any deposition or testimony of the
10 inmate witness may be conducted by a video teleconferencing system
11 in the manner described by Article 27.18 [~~electronic means, in the~~
12 ~~same manner as permitted in civil cases under Section 30.012, Civil~~
13 ~~Practice and Remedies Code~~].

14 SECTION 9. Article 49.01, Code of Criminal Procedure, is
15 amended to read as follows:

16 Art. 49.01. DEFINITIONS. In this chapter [~~article~~]:

17 (1) "Autopsy" means a post mortem examination of the
18 body of a person, including an external examination of the body
19 [~~X-rays~~] and an examination of the internal organs [~~and structures~~
20 ~~after dissection~~], to determine the cause and manner of death or the
21 nature of any pathological changes that may have contributed to the
22 death or to obtain information or material for evidentiary or
23 identification purposes. The forensic pathologist or physician
24 performing the autopsy may limit the individuals in attendance at
25 the examination and may vary the extent of the examination. The
26 examination may include:

27 (A) radiographs;

1 (B) a microscopic examination;

2 (C) retention of an organ part or whole organ;

3 (D) an anthropologic examination;

4 (E) a dental examination;

5 (F) any other procedure considered necessary by
6 the examining forensic pathologist or physician; or

7 (G) at the discretion of the medical examiner,
8 the medical examiner's designee, or the justice of the peace, as
9 appropriate, an in-person examination of the scene of death or
10 injury or an examination of the scene through reports or
11 photographs related to the injury or death.

12 (1-a) "Forensic pathologist" means a physician who is
13 board certified in anatomic and forensic pathology by the American
14 Board of Pathology.

15 (2) "Inquest" means an investigation into the cause
16 and circumstances of the death of a person, and a determination,
17 made with or without a formal court hearing, as to whether the death
18 was caused by an unlawful act or omission. The term includes each
19 level of investigation, from rudimentary information gathering to a
20 complete autopsy examination and formal hearing.

21 (3) "Inquest hearing" means a formal court hearing
22 held to determine whether the death of a person was caused by an
23 unlawful act or omission and, if the death was caused by an unlawful
24 act or omission, to obtain evidence to form the basis of a criminal
25 prosecution.

26 (4) "Institution" means any place where health care
27 services are rendered, including a hospital, clinic, health

1 facility, nursing home, extended-care facility, out-patient
2 facility, foster-care facility, and retirement home.

3 (5) "Physician" means a practicing doctor of medicine
4 or doctor of osteopathic medicine who is licensed by the Texas
5 [~~State Board of~~] Medical Board [~~Examiners~~] under Subtitle B, Title
6 3, Occupations Code.

7 SECTION 10. Section 1, Article 49.25, Code of Criminal
8 Procedure, is amended to read as follows:

9 Sec. 1. OFFICE AUTHORIZED. Subject to the provisions of
10 this Article [~~Act~~], the Commissioners Court of any county having a
11 population of more than one million [~~and not having a reputable~~
12 ~~medical school as defined in Articles 4501 and 4503, Revised Civil~~
13 ~~Statutes of Texas,~~] shall establish and maintain the office of
14 medical examiner, and the Commissioners Court of any county may
15 establish and provide for the maintenance of the office of medical
16 examiner. Population shall be according to the last preceding
17 federal census.

18 SECTION 11. Subsection (b), Section 1-a, Article 49.25,
19 Code of Criminal Procedure, is amended to read as follows:

20 (b) There may be only one chief medical examiner in a
21 medical examiners district, although the chief medical examiner
22 [~~he~~] may employ, within the district, necessary staff personnel,
23 including deputy medical examiners. When a county becomes a part of
24 a medical examiners district, the effect is the same within the
25 county as if the office of medical examiner had been established in
26 that county alone. A [~~The~~] district medical examiner has all the
27 powers and duties within the district that a medical examiner who

1 serves in a single county has within that county.

2 SECTION 12. Section 2, Article 49.25, Code of Criminal
3 Procedure, is amended to read as follows:

4 Sec. 2. APPOINTMENTS AND QUALIFICATIONS. (a) The
5 commissioners court shall appoint the chief medical examiner, who
6 serves [~~shall serve~~] at the pleasure of the commissioners court.
7 The chief medical examiner must be:

8 (1) board certified in anatomic and forensic pathology
9 by the American Board of Pathology; and

10 (2) [~~No person shall be appointed medical examiner~~
11 ~~unless he is~~] a physician licensed by the Texas [~~State Board of~~]
12 Medical Board [~~Examiners. To the greatest extent possible, the~~
13 ~~medical examiner shall be appointed from persons having training~~
14 ~~and experience in pathology, toxicology, histology and other~~
15 ~~medico-legal sciences~~].

16 (b) The chief medical examiner shall devote the [~~so much of~~
17 ~~his~~] time and energy [~~as is~~] necessary to perform [~~in the~~
18 ~~performance of~~] the duties conferred by this Article.

19 SECTION 13. Section 3, Article 49.25, Code of Criminal
20 Procedure, is amended to read as follows:

21 Sec. 3. ASSISTANTS. (a) The chief medical examiner may,
22 subject to the approval of the commissioners court, employ the
23 [~~such~~] deputy medical examiners, medical, dental, or anthropologic
24 consultants, scientific experts, trained technicians, officers,
25 and employees [~~as may be~~] necessary to properly perform [~~the proper~~
26 ~~performance of~~] the duties imposed by this Article on [~~upon~~] the
27 chief medical examiner.

1 (b) A deputy medical examiner must:

2 (1) be board certified in anatomic and forensic
3 pathology; or

4 (2) have satisfactorily completed accredited
5 residency and fellowship training programs in anatomic and forensic
6 pathology and, not later than the third anniversary of the date the
7 training programs were completed, obtain board certification in
8 anatomic and forensic pathology.

9 SECTION 14. Section 4, Article 49.25, Code of Criminal
10 Procedure, is amended to read as follows:

11 Sec. 4. SALARIES. The commissioners court shall establish
12 and pay the salaries and compensations of the chief medical
13 examiner and the chief medical examiner's [~~his~~] staff.

14 SECTION 15. Section 6, Article 49.25, Code of Criminal
15 Procedure, is amended to read as follows:

16 Sec. 6. DEATH INVESTIGATIONS. (a) A chief [~~Any~~] medical
17 examiner, or the chief medical examiner's [~~his~~] duly authorized
18 deputy medical examiner, shall [~~be authorized, and it shall be his~~
19 ~~duty, to~~] hold inquests with or without a jury in the [~~within his~~]
20 county in which the office is established[~~7~~] in the following
21 cases:

22 (1) [1.] When a person dies [~~shall die~~] within
23 twenty-four hours after the person is:

24 (A) admitted [~~admission~~] to a hospital or
25 institution;

26 (B) confined [~~or~~] in prison or in jail; or

27 (C) placed in law enforcement custody;

1 (2) [~~2.~~] When any person:
2 (A) is killed;
3 (B) [~~or~~] from any cause dies an unnatural death,
4 except under sentence of the law;
5 (C) [~~or~~] dies in the absence of one or more good
6 witnesses; or
7 (D) dies as a result of medical treatment or
8 therapy;
9 (3) [~~3.~~] When the body or a body part of a person is
10 found and [~~7~~] the cause or circumstances of death are unknown [~~7~~ and:
11 ~~[(A) the person is identified; or~~
12 ~~[(B) the person is unidentified];~~
13 (4) [~~4.~~] When the circumstances of the death of any
14 person [~~are such as to~~] lead to suspicion that the person died [~~he~~
15 ~~came to his death~~] by unlawful means;
16 (5) [~~5.~~] When any person commits suicide, or the
17 circumstances of the person's [~~his~~] death [~~are such as to~~] lead to
18 suspicion that the person [~~he~~] committed suicide;
19 (6) [~~6.~~] When a person dies who has not [~~without~~
20 ~~having~~] been attended during the preceding year by a duly licensed
21 and practicing physician [~~7~~ and the local health officer or
22 registrar required to report the cause of death under Section
23 ~~193.005, Health and Safety Code, does not know the cause of death.~~
24 ~~When the local health officer or registrar of vital statistics~~
25 ~~whose duty it is to certify the cause of death does not know the~~
26 ~~cause of death, he shall so notify the medical examiner of the~~
27 ~~county in which the death occurred and request an inquest];~~

1 (7) [~~7.~~] When the person is a child [~~who is~~] younger
2 than six years of age and the death is reported under Chapter 264,
3 Family Code; [~~and~~]

4 (8) When an unidentified person dies; and

5 (9) [~~8.~~] When a person dies who has been attended
6 immediately preceding the person's [~~his~~] death by a duly licensed
7 and practicing physician or physicians[~~7~~] and the [~~such~~] physician
8 or physicians [~~are not certain as to the cause of death and~~] are
9 unable to certify to a reasonable degree of medical probability
10 [~~with certainty~~] the cause of death as required by Section 193.005
11 [~~193.004~~], Health and Safety Code.

12 (a-1) If a physician is unable to certify the cause of death
13 to a reasonable degree of medical probability, [~~In case of such~~
14 ~~uncertainty~~] the attending physician or physicians, or the
15 superintendent or general manager of the hospital or institution in
16 which the deceased [~~shall have~~] died, shall [~~so~~] report the
17 inability to the medical examiner of the county in which the death
18 occurred[~~7~~] and request an inquest.

19 (a-2) If a medical examiner determines after performing an
20 inquest that the death is due to natural causes and the deceased
21 person was attended by a physician at the time of death or during
22 the preceding year, the medical examiner may waive the medical
23 examiner's authority to further investigate the case. If the
24 medical examiner waives the authority to further investigate the
25 case, the attending physician shall certify the cause of death.

26 (b) The inquests authorized and required by this Article
27 shall be held by the chief medical examiner of the county in which

1 the death occurred.

2 (c) In making such investigations and holding such
3 inquests, the chief medical examiner or an authorized deputy
4 medical examiner may administer oaths and take affidavits. In the
5 absence of next of kin or legal representatives of the deceased, the
6 chief medical examiner or authorized deputy medical examiner shall
7 take charge of the body and all property found with it.

8 (d) A medical examiner may subpoena medical records, law
9 enforcement records, or other types of records required to perform
10 the duties imposed under this section.

11 SECTION 16. Section 6a, Article 49.25, Code of Criminal
12 Procedure, is amended to read as follows:

13 Sec. 6a. ORGAN TRANSPLANT DONORS; NOTICE; INQUESTS.

14 (a) When death occurs to an individual designated a prospective
15 organ donor for transplantation by a licensed physician under
16 circumstances requiring the chief medical examiner of the county in
17 which death occurred, or the chief medical examiner's authorized
18 deputy medical examiner, to hold an inquest, the chief medical
19 examiner, or a member of the chief medical examiner's ~~[his]~~ staff,
20 shall ~~[will]~~ be ~~[so]~~ notified by the administrative head of the
21 facility in which the prospective donor is located ~~[transplantation~~
22 ~~is to be performed]~~.

23 (b) When notified pursuant to Subsection (a) of this
24 Section, the chief medical examiner or the chief medical examiner's
25 deputy medical examiner shall perform an inquest on the deceased
26 prospective organ donor.

27 (c) Subject to the procedures and requirements established

1 by Section 693.002, Health and Safety Code, a medical examiner may:

2 (1) determine before or after the medical examiner
3 examines the body of the deceased that the release of organs or
4 tissues for transplant purposes will likely hinder the
5 determination of the cause or manner of death or compromise an
6 evidentiary aspect of the examination; and

7 (2) based on the determination, prohibit or limit the
8 extent of the organ or tissue removal.

9 SECTION 17. Section 7(b), Article 49.25, Code of Criminal
10 Procedure, is amended to read as follows:

11 (b) A person investigating the [a] death of an unidentified
12 person [described by Subdivision 3(B) of Section 6(a)] shall report
13 the death to the missing children and missing persons information
14 clearinghouse of the Department of Public Safety and the national
15 crime information center not later than the 10th working day after
16 the date the investigation began.

17 SECTION 18. Section 8, Article 49.25, Code of Criminal
18 Procedure, is amended to read as follows:

19 Sec. 8. REMOVAL OF BODIES. When any death under
20 circumstances set out in Section 6 of this Article occurs [~~shall~~
21 ~~have occurred~~], the body shall not be disturbed or removed from the
22 position in which it is found by any person without authorization
23 from the chief medical examiner or an authorized deputy medical
24 examiner, except for the purpose of preserving the [~~such~~] body from
25 loss or destruction or maintaining the flow of traffic on a highway,
26 railroad, or airport.

27 SECTION 19. Section 9, Article 49.25, Code of Criminal

1 Procedure, is amended to read as follows:

2 Sec. 9. AUTOPSY. (a) If the cause of death is [~~shall be~~
3 determined beyond a reasonable doubt as a result of the
4 investigation, the medical examiner shall prepare [~~file~~] a report
5 on the investigation [~~thereof~~] setting forth specifically the cause
6 of death and file the report with the district attorney or criminal
7 district attorney, or in a county in which there is no district
8 attorney or criminal district attorney with the county attorney, of
9 the county in which the death occurred.

10 (b) If in the opinion of the medical examiner an autopsy is
11 necessary to determine the cause or manner of death, to better
12 determine any pathological or injurious process present, or to
13 obtain evidence for a potential legal proceeding or for
14 identification purposes, or if the autopsy [~~such~~] is requested by
15 the district attorney or criminal district attorney, or county
16 attorney where there is no district attorney or criminal district
17 attorney, the autopsy shall be [~~immediately~~] performed by the chief
18 medical examiner or a duly authorized deputy medical examiner. In
19 [~~those~~] cases where a complete autopsy is considered [~~deemed~~]
20 unnecessary by the medical examiner to ascertain the cause of
21 death, the medical examiner may perform a limited autopsy or
22 external inspection of the body that may include [~~involving the~~]
23 taking [~~of~~] blood samples or any other samples of body fluids,
24 tissues, or organs [~~, in order~~] to ascertain the cause of death or
25 whether a crime has been committed.

26 (c) If [~~In~~] the identity [~~case~~] of a body of a human being
27 [~~whose identity~~] is unknown, the medical examiner may authorize the

1 ~~[such]~~ investigative and laboratory tests and processes ~~[as are]~~
2 required to determine the ~~[its]~~ identity and ~~[as well as]~~ the cause
3 of death.

4 (d) The extent of an autopsy is solely at the discretion of
5 the medical examiner.

6 (e) A medical examiner is not required to notify or seek any
7 approval from a deceased person's next of kin to perform an autopsy
8 or any other type of examination related to an autopsy.

9 (f) On ~~[In performing an autopsy the medical examiner or~~
10 ~~authorized deputy may use the facilities of any city or county~~
11 ~~hospital within the county or such other facilities as are made~~
12 ~~available. Upon]~~ completion of the autopsy, the medical examiner
13 shall prepare ~~[file]~~ a report setting forth the findings in detail
14 and file the report with the office of the district attorney or
15 criminal district attorney of the county, or if there is no district
16 attorney or criminal district attorney, with the county attorney of
17 the county.

18 (g) ~~(b)~~ A medical examination on an unidentified person
19 shall include the following information to enable a timely and
20 accurate identification of the person:

21 (1) all available fingerprints and palm prints;

22 (2) dental charts and radiographs (X-rays) of the
23 person's teeth;

24 (3) ~~[frontal and lateral]~~ facial photographs with
25 scale indicated;

26 (4) notation ~~[and photographs, with scale indicated,]~~
27 of a significant scar, mark, tattoo, or item of clothing or other

1 personal effect found with or near the body;

2 (5) notation of any identified antemortem medical
3 conditions; and

4 (6) notation of observations pertinent to the
5 estimation of time of death~~[, and~~

6 ~~[(7) precise documentation of the location of burial~~
7 ~~of the remains].~~

8 (h) ~~[(c)]~~ A medical examination on an unidentified person
9 may include the following information to enable a timely and
10 accurate identification of the person:

11 (1) full body radiographs (X-rays); and

12 (2) ~~[hair]~~ specimens from the body for DNA
13 characterization and comparison ~~[with roots].~~

14 (i) A medical examiner performing an autopsy of a deceased
15 person may retain an organ or part of an organ if the medical
16 examiner determines that retaining the organ or organ part is
17 necessary for further examination and testing. After completing
18 the examination or testing on the organ or organ part, the medical
19 examiner shall:

20 (1) retain the organ or organ part as required by law
21 or by published professional or accreditation standards;

22 (2) dispose of the organ or organ part as a hazardous
23 biological specimen; or

24 (3) release the organ or organ part to the funeral
25 establishment or crematory under Subsection (m)(2).

26 (j) A medical examiner may not be required to perform an
27 autopsy on a person whose death resulted from a highly infectious

1 disease or a chemical or radiological agent that presents a hazard
2 to the medical examiner, the medical examiner's staff, or the
3 public.

4 (k) Except as provided by Subsection (l), a medical examiner
5 may not perform an autopsy on a deceased person if the medical
6 examiner receives before the performance of the autopsy a notarized
7 affidavit signed by the person before the person's death that
8 states the person's objection for religious reasons to the
9 performance of an autopsy on the person after the person's death.

10 (l) A medical examiner may perform an autopsy on a deceased
11 person following receipt of a notarized affidavit under Subsection
12 (k) if the chief medical examiner determines a compelling public
13 necessity exists to perform the autopsy on the deceased person
14 despite the objection.

15 (m) If the medical examiner performs the autopsy despite
16 receipt of a notarized affidavit under Subsection (k), the medical
17 examiner shall:

18 (1) use the least invasive means possible in the
19 performance of the autopsy; and

20 (2) notwithstanding Subsection (i), release to the
21 funeral establishment or crematory any organ or organ part retained
22 by the medical examiner, except as required by law or by published
23 professional or accreditation standards.

24 (n) In this section, "compelling public necessity" means:

25 (1) a criminal homicide investigation in which the
26 deceased person is the victim;

27 (2) an immediate and substantial threat to public

1 health;

2 (3) the death of a child under 12 years of age for
3 which the cause of death is not apparent and neglect or a threat to
4 public health was suspected;

5 (4) the cause or manner of death of the deceased person
6 is not apparent after a diligent investigation by the medical
7 examiner; or

8 (5) the autopsy is required by law.

9 SECTION 20. Section 10, Article 49.25, Code of Criminal
10 Procedure, is amended to read as follows:

11 Sec. 10. DISINTERMENTS AND CREMATIONS. (a) The [~~When a~~
12 ~~body upon which an inquest ought to have been held has been~~
13 ~~interred, the~~] medical examiner may cause a body that has been
14 interred and on which an inquest should have been held [~~it~~] to be
15 disinterred for the purpose of holding the [~~such~~] inquest.

16 (b) A [~~Before any~~] body on [~~, upon~~] which an inquest is
17 authorized by [~~the provisions of~~] this Article may not [~~, can~~] be
18 [~~lawfully~~] cremated unless [~~]~~ an examination is [~~autopsy shall be~~]
19 performed on the body [~~thereon~~] as provided in this Article [~~]~~ or a
20 certificate that the examination [~~no autopsy~~] was not necessary is
21 [~~shall be~~] furnished by the medical examiner.

22 (c) Before a [~~any~~] dead body may [~~can~~] be [~~lawfully~~]
23 cremated, the owner or operator of the crematory shall demand and be
24 furnished with a certificate, signed by the medical examiner of the
25 county in which the death occurred stating [~~showing~~] that:

26 (1) an examination [~~autopsy~~] was performed on the
27 [~~said~~] body; or

1 (2) an examination on the body [~~that no autopsy~~
2 ~~thereon~~] was not necessary.

3 (d) The [~~It shall be the duty of the~~] medical examiner shall
4 [~~to~~] determine whether or not, from all the circumstances
5 surrounding the death, an examination [~~autopsy~~] is necessary prior
6 to issuing a certificate under [~~the provisions of~~] this section.

7 (e) The owner or operator of a crematory requesting
8 authorization to cremate a body shall provide the medical examiner
9 with a legible and properly completed death certificate.

10 (f) A medical examiner is not required to perform an
11 examination [~~No autopsy shall be required by the medical examiner~~]
12 as a prerequisite to cremation if the [~~in case~~] death was [~~is~~]
13 caused by [~~the~~] pestilential or highly infectious diseases [~~of~~
14 ~~Asiatic cholera, bubonic plague, typhus fever, or smallpox~~].

15 (g) All certificates furnished to the owner or operator of a
16 crematory by any medical examiner, under the terms of this Article,
17 shall be preserved by the [~~such~~] owner or operator until the second
18 anniversary of [~~such crematory for a period of two years from~~] the
19 date of the body's cremation [~~of said body~~].

20 (h) A medical examiner is not required to perform an autopsy
21 on the body of a deceased person whose death was caused by a
22 communicable disease during a public health disaster.

23 SECTION 21. Section 10a, Article 49.25, Code of Criminal
24 Procedure, is amended to read as follows:

25 Sec. 10a. WAITING PERIOD BETWEEN DEATH AND CREMATION.

26 (a) The body of a deceased person shall not be cremated within 48
27 hours after the time of death as indicated on the regular death

1 certificate, unless:

2 (1) the death certificate indicates death was caused
3 by ~~[the]~~ pestilential or highly infectious diseases; ~~[of Asiatic~~
4 ~~cholera, bubonic plague, typhus fever, or smallpox,~~] or

5 (2) ~~[unless]~~ the time requirement is waived in writing
6 by the county medical examiner or, in counties without ~~[not having]~~
7 a county medical examiner, a justice of the peace.

8 (b) In a public health disaster, the commissioner of state
9 ~~[public]~~ health services may designate other communicable diseases
10 for which cremation within 48 hours of the time of death is
11 authorized.

12 SECTION 22. Section 11, Article 49.25, Code of Criminal
13 Procedure, is amended to read as follows:

14 Sec. 11. RECORDS. (a) The medical examiner shall:

15 (1) keep full and complete records properly indexed
16 that include~~[, giving]~~ the name if known of every person whose death
17 is investigated, the place where the body was found, the date, and
18 the cause and manner of death;~~[,]~~ and

19 (2) ~~[shall]~~ issue a death certificate.

20 (b) The full report and detailed findings of the autopsy, if
21 any, shall be a part of the record.

22 (c) ~~[Copies of all records shall promptly be delivered to~~
23 ~~the proper district, county, or criminal district attorney in any~~
24 ~~case where further investigation is advisable.]~~ The records are
25 subject to required public disclosure in accordance with Chapter
26 552, Government Code, except that a photograph or x-ray of a body
27 taken during a medical examiner investigation ~~[an autopsy]~~ is

1 excepted from required public disclosure in accordance with Chapter
2 552, Government Code, but is subject to disclosure:

3 (1) under a subpoena or authority of other law; or

4 (2) if the photograph or x-ray is of the body of a
5 person who died while in the custody of law enforcement.

6 SECTION 23. Section 12, Article 49.25, Code of Criminal
7 Procedure, is amended to read as follows:

8 Sec. 12. TRANSFER OF DUTIES OF JUSTICE OF PEACE. When the
9 commissioners court of any county establishes [~~shall establish~~] the
10 office of medical examiner, all powers and duties of justices of the
11 peace in the [~~such~~] county relating to the investigation of deaths
12 and inquests [~~shall~~] vest in the office of the medical examiner.
13 Any subsequent General Law pertaining to the duties of justices of
14 the peace in death investigations and inquests [~~shall~~] apply to the
15 medical examiner in the county [~~such counties as~~] to the extent not
16 inconsistent with this Article, and all laws or parts of laws
17 otherwise in conflict with this Article [~~herewith~~] are [~~hereby~~]
18 declared [~~to be~~] inapplicable to this Article.

19 SECTION 24. Subsection (a), Section 14, Article 49.25, Code
20 of Criminal Procedure, is amended to read as follows:

21 (a) A person commits an offense if the person knowingly
22 violates this article or knowingly provides false information to a
23 medical examiner in the performance by the medical examiner of an
24 investigation under this article.

25 SECTION 25. Article 49.25, Code of Criminal Procedure, is
26 amended by adding Sections 13A and 13B to read as follows:

27 Sec. 13A. FEES. A medical examiner may charge reasonable

1 fees for services provided by the medical examiner's office under
2 this Article, including cremation approvals, court testimonies,
3 consultations, and depositions.

4 Sec. 13B. EDUCATION AND RESEARCH. (a) A medical examiner
5 may use for educational or teaching purposes photographs taken
6 during a death investigation.

7 (b) A medical examiner's office may engage in educational
8 and research activities that do not interfere with the performance
9 of the duties imposed on the office under this Article.

10 SECTION 26. Section 61.0572, Education Code, is amended by
11 adding Subsection (f) to read as follows:

12 (f) Approval of the board is not required for buildings or
13 other facilities financed by a public improvement district under
14 Subchapter A, Chapter 372, Local Government Code.

15 SECTION 27. Section 61.058, Education Code, is amended by
16 adding Subsection (c) to read as follows:

17 (c) This section does not apply to construction, repair, or
18 rehabilitation of buildings or other facilities financed by a
19 public improvement district under Subchapter A, Chapter 372, Local
20 Government Code.

21 SECTION 28. Section 31.037, Election Code, is amended to
22 read as follows:

23 Sec. 31.037. SUSPENSION OR TERMINATION OF EMPLOYMENT. The
24 employment of the county elections administrator may be suspended,
25 with or without pay, or terminated at any time for good and
26 sufficient cause on the four-fifths vote of the county election
27 commission and approval of that action by a majority vote of the

1 commissioners court.

2 SECTION 29. Section 61.001(f), Government Code, is amended
3 to read as follows:

4 (f) A reimbursement for expenses under this section is not a
5 property right of a person who reports for jury service for purposes
6 of Chapters 72 and 74, Property Code. If a check, instrument, or
7 other method of payment authorized under Section 113.048, Local
8 Government Code, [instrument] representing a reimbursement under
9 this section is not presented for payment or redeemed before the
10 90th day after it is issued:

11 (1) the instrument or other method of payment is
12 considered forfeited and is void; and

13 (2) the money represented by the instrument or other
14 method of payment may be placed or retained in the county's jury
15 fund, the county's general fund, or any other fund in which county
16 funds can be legally placed, at the discretion of the commissioners
17 court.

18 SECTION 30. Section 61.003, Government Code, is amended by
19 adding Subsection (e) to read as follows:

20 (e) Notwithstanding Subsection (a), a county that has
21 adopted a system or method of payment authorized by Section
22 113.048, Local Government Code, may provide a person who reports
23 for jury service in the county an opportunity to donate all, or a
24 specific part designated by the juror, of the juror's daily
25 reimbursement by completing a self-executing application on a form
26 prescribed by the commissioners court.

27 SECTION 31. Subchapter B, Chapter 281, Health and Safety

1 Code, is amended by adding Section 281.0282 to read as follows:

2 Sec. 281.0282. DALLAS COUNTY HOSPITAL DISTRICT; EMPLOYMENT
3 OF HEALTH CARE PROVIDERS AND PHYSICIANS. (a) The board of the
4 Dallas County Hospital District may appoint, contract for, or
5 employ physicians, dentists, and other health care providers as the
6 board considers necessary for the efficient operation of the
7 district.

8 (b) The term of an employment contract entered into under
9 this section may not exceed four years.

10 (c) This section may not be construed as authorizing the
11 board of the Dallas County Hospital District to supervise or
12 control the practice of medicine, as prohibited by Subtitle B,
13 Title 3, Occupations Code.

14 (d) The authority granted to the board of the Dallas County
15 Hospital District under Subsection (a) to employ physicians shall
16 apply only as necessary for the district to fulfill the district's
17 statutory mandate to provide medical care for the indigent and
18 needy residents of the district as provided by Section 281.046.

19 (e) The Dallas County Hospital District shall establish a
20 committee consisting of at least five actively practicing
21 physicians who provide care in the district. The committee shall
22 approve existing policies or adopt new policies, if no policies
23 exist, to ensure that a physician who is employed by the district is
24 exercising the physician's independent medical judgment in
25 providing care to patients.

26 (f) The chair of the committee must be a member of the
27 executive committee of the Dallas County Hospital District's

1 medical staff.

2 (g) The policies adopted or approved by the committee shall
3 include policies relating to credentialing, quality assurance,
4 utilization review, peer review, medical decision-making,
5 governance of the committee, and due process.

6 (h) Each member of a committee shall provide biennially to
7 the chief medical officer of the Dallas County Hospital District a
8 signed, verified statement indicating that the committee member:

9 (1) is licensed by the Texas Medical Board;

10 (2) will exercise independent medical judgment in all
11 committee matters, including matters relating to credentialing,
12 quality assurance, utilization review, peer review, medical
13 decision-making, and due process;

14 (3) will exercise the committee member's best efforts
15 to ensure compliance with the Dallas County Hospital District's
16 policies that are adopted or established by the committee; and

17 (4) will report immediately to the Texas Medical Board
18 any action or event that the committee member reasonably and in good
19 faith believes constitutes a compromise of the independent medical
20 judgment of a physician in caring for a patient.

21 (i) The committee shall adopt rules requiring the
22 disclosure of financial conflicts of interest by a committee
23 member.

24 (j) For all matters relating to the practice of medicine,
25 each physician employed by the board shall ultimately report to the
26 chief medical officer of the Dallas County Hospital District.

27 SECTION 32. Chapter 311, Health and Safety Code, is amended

1 by adding Subchapter E to read as follows:

2 SUBCHAPTER E. EMPLOYMENT OF PHYSICIANS BY CERTAIN HOSPITALS

3 Sec. 311.061. APPLICABILITY OF SUBCHAPTER. This subchapter
4 applies only to a hospital located in a county with a population of
5 50,000 or less and operated by a governmental entity.

6 Sec. 311.062. EMPLOYMENT OF PHYSICIAN PERMITTED. (a) A
7 hospital may employ a physician and retain all or part of the
8 professional income generated by the physician for medical services
9 provided at the hospital if the hospital:

10 (1) is certified by the Texas Medical Board under
11 Section 162.001(d), Occupations Code;

12 (2) satisfies the requirements of Subchapter A,
13 Chapter 162, Occupations Code, including Texas Medical Board rules;
14 and

15 (3) satisfies the requirements of this subchapter.

16 (b) A hospital subject to this subchapter may continue to
17 employ any physicians employed by the hospital on or before the date
18 of release of a federal decennial census that shows the county's
19 population exceeds 50,000. The hospital may not employ a new
20 physician after that date.

21 (c) The requirements of this subchapter and Subchapter A,
22 Chapter 162, Occupations Code, may not be voided or waived by
23 contract.

24 Sec. 311.063. HOSPITAL POLICIES. (a) A hospital shall
25 adopt, maintain, and enforce policies to ensure that a physician
26 employed under this subchapter whose professional income is
27 retained under Section 311.062 exercises independent medical

1 judgment when providing care to patients at the hospital.

2 (b) The policies adopted under this section must include
3 policies relating to:

4 (1) credentialing and privileges;

5 (2) quality assurance;

6 (3) utilization review;

7 (4) peer review;

8 (5) medical decision-making; and

9 (6) due process.

10 (c) The policies adopted under this section, including any
11 amendments to the policies, must be approved by the hospital
12 governing board after input from the medical staff as appropriate.

13 (d) The policies adopted under this section must include the
14 implementation of a complaint mechanism for processing and
15 resolving complaints regarding interference or attempted
16 interference with the physician's independent medical judgment.
17 The policies must address the manner in which the public can access
18 board complaint procedures.

19 (e) The policies of the hospital must be drafted and
20 interpreted in a manner that reserves to physicians, including
21 physicians employed and physicians not employed by the hospital,
22 the sole authority to engage in the practice of medicine.

23 Sec. 311.064. CREDENTIALING AND PRIVILEGES. (a) A
24 physician employed by a hospital under this subchapter is subject
25 to the same standards and procedures regarding credentialing, peer
26 review, quality of care, and privileges as a physician not employed
27 by the hospital.

1 (b) A hospital shall give equal consideration regarding the
2 issuance of credentials and privileges to physicians employed by
3 the hospital and physicians not employed by the hospital.

4 Sec. 311.065. OTHER HOSPITAL-PHYSICIAN RELATIONSHIPS.

5 This subchapter may not be construed as altering, voiding, or
6 prohibiting any relationship between a hospital and a physician,
7 including a contract or arrangement with an approved nonprofit
8 health corporation that is certified under Section 162.001(b),
9 Occupations Code, and that holds a certificate of authority issued
10 under Chapter 844, Insurance Code.

11 Sec. 311.066. MEDICAL STAFF BYLAWS. The medical staff

12 bylaws of a hospital may not discriminate against or favor a
13 physician based solely on the physician's employment status with
14 the hospital, including emergency call or charity care obligations.

15 Sec. 311.067. FAIR PROCESS; PEER REVIEW. (a) Termination

16 of a physician's employment by a hospital is subject to a fair
17 review process.

18 (b) A hospital that employs physicians shall provide peer
19 review and quality assurance through a multi-hospital peer review
20 agreement, an external independent peer review organization, or an
21 internal peer review process approved by the hospital governing
22 board with appropriate input from the medical staff.

23 Sec. 311.068. REFERRAL OF PATIENTS. (a) In this section,

24 "referral" means referral for admissions, diagnostic tests and
25 procedures, surgeries, or other health care services.

26 (b) An employment agreement entered into between a
27 physician and a hospital under this subchapter:

1 (1) must state that the hospital may not set goals
2 regarding referrals; and

3 (2) may not set, as a condition of employment, the
4 volume or number of referrals that must be made.

5 Sec. 311.069. NONRETALIATION REQUIREMENTS. (a) A hospital
6 may not terminate, retaliate against, or otherwise penalize a
7 person who reports in good faith to the hospital or the Texas
8 Medical Board a violation or attempted violation of this
9 subchapter, Subchapter A, Chapter 162, Occupations Code, or Texas
10 Medical Board rules.

11 (b) A hospital may not prohibit, restrict, or discourage a
12 physician from communicating with the hospital or advocating for a
13 patient regarding medically appropriate health care.

14 (c) A physician who makes a report under this section:

15 (1) is immune from civil liability for a report made in
16 good faith; and

17 (2) may not be disciplined by the Texas Medical Board
18 for any corporate practice of medicine violation related to the
19 reported action, event, or policy.

20 Sec. 311.070. LIABILITY. (a) In this section:

21 (1) "Governmental unit" has the meaning assigned by
22 Section 101.001, Civil Practice and Remedies Code.

23 (2) "Governmental hospital" means a hospital that is
24 owned or operated by a governmental unit.

25 (3) "Health care liability claim" has the meaning
26 assigned by Section 74.001, Civil Practice and Remedies Code.

27 (b) Chapters 101 and 108, Civil Practice and Remedies Code,

1 do not apply in an action in which final judgment is rendered in a
2 health care liability claim against a physician employed under this
3 subchapter by a governmental hospital.

4 (c) A physician's civil liability is limited to a maximum
5 amount of \$250,000 for each single occurrence of bodily injury or
6 death in an action in which final judgment is rendered in a health
7 care liability claim against a physician employed under this
8 subchapter by a governmental hospital.

9 (d) A governmental hospital shall maintain professional
10 liability insurance or a plan of self-insurance covering each
11 physician employed by the hospital in the amount of \$250,000 for
12 each single occurrence of bodily injury or death.

13 SECTION 33. Section 694.002, Health and Safety Code, is
14 amended by adding Subsections (c) and (d) to read as follows:

15 (c) If a county discovers cash in the possession of a
16 deceased pauper, the county shall place the money in a trust
17 account. A person having a claim to the money in the trust account
18 must exercise the right to collect the money not later than the
19 first anniversary of the date the money is placed in the trust
20 account.

21 (d) A county may create a fund to be used by the county to
22 pay the costs incurred in disposing of the bodies of deceased
23 paupers. If money placed in a trust account under Subsection (c) is
24 not claimed by the first anniversary of the date the money is placed
25 in the trust account, the county may transfer the money to the fund
26 created under this subsection.

27 SECTION 34. Section 716.101, Health and Safety Code, is

1 amended to read as follows:

2 Sec. 716.101. UNIDENTIFIED HUMAN REMAINS. (a) Except as
3 provided by Subsection (b), a [A] crematory establishment may not
4 accept for cremation unidentified human remains.

5 (b) Notwithstanding any other provision of this chapter, a
6 crematory establishment may accept for cremation unidentified
7 human remains from a county on the order of:

8 (1) the county commissioners court; or

9 (2) a court located in the county.

10 SECTION 35. Subchapter C, Chapter 113, Local Government
11 Code, is amended by adding Section 113.048 to read as follows:

12 Sec. 113.048. DISBURSEMENT OF MONEY FOR JURY SERVICE. (a)
13 Notwithstanding any other provision of this subchapter or other law
14 to the contrary, a county treasurer may disburse to a person who
15 reports for jury service and discharges the person's duty the daily
16 amount of reimbursement for jury service expenses set by the
17 commissioners court under Section 61.001, Government Code, by:

18 (1) using an electronic funds transfer system in
19 accordance with Chapter 156;

20 (2) using a cash dispensing machine;

21 (3) issuing a debit card or a stored value card; or

22 (4) using any other method that the county treasurer
23 and the commissioners court determine is secure, accurate, and
24 cost-effective and that is convenient for persons who report for
25 jury service.

26 (b) A system or method of payment adopted by a county
27 treasurer under Subsection (a) may be implemented only if it is

1 approved by the commissioners court and administered in accordance
2 with the procedures established by the county auditor or by the
3 chief financial officer of a county that does not have a county
4 auditor.

5 (c) A system or method of payment authorized by this section
6 may be used in lieu of or in addition to the issuance of warrants or
7 checks authorized under this subchapter.

8 SECTION 36. Sections 155.002(a) and (b), Local Government
9 Code, are amended to read as follows:

10 (a) A request for a payroll deduction must:

11 (1) be in writing;

12 (2) be submitted to the county auditor unless the
13 deduction is processed through an automated payroll system
14 maintained by the county; and

15 (3) state the amount to be deducted and the entity to
16 which the amount is to be transferred.

17 (b) A request remains in effect until:

18 (1) the county auditor receives a written notice of
19 revocation signed by the employee; or

20 (2) the deduction is revoked by the employee through
21 an automated payroll system maintained by the county.

22 SECTION 37. Subchapter Z, Chapter 157, Local Government
23 Code, is amended by adding Section 157.9031 to read as follows:

24 Sec. 157.9031. AUTHORITY TO REQUIRE REIMBURSEMENT FOR
25 CERTAIN COVERAGE. A commissioners court of a self-insuring county
26 or an intergovernmental pool operating under Chapter 119 may,
27 pursuant to policies concerning the provision of coverage adopted

1 by the commissioners court or the pool's governing body, require
2 reimbursement for the provision of punitive damage coverage from a
3 person to whom the intergovernmental pool provides coverage.

4 SECTION 38. Section 250.003(a), Local Government Code, is
5 amended to read as follows:

6 (a) An individual who is an employee of the owner of real
7 property for which a citation for a violation of a county or
8 municipal rule or ordinance is issued, or of a company that manages
9 the property on behalf of the property owner, is not personally
10 liable for criminal or civil penalties resulting from the violation
11 if, not later than five calendar days after the date the citation is
12 issued, the individual provides the property owner's name, current
13 street address, and telephone number to the enforcement official
14 who issues the citation or the official's superior.

15 SECTION 39. Section 250.004, Local Government Code, is
16 amended to read as follows:

17 Sec. 250.004. AGENT FOR SERVICE; NOTICE OF CITATION.

18 (a) The [~~If the property owner's street address is not in this~~
19 ~~state, the~~] employee of the owner or management company to whom a
20 citation described by Section 250.003 is issued is considered the
21 owner's agent for accepting service of the citation for the
22 violation of the county or municipal rule or ordinance. Service of
23 the citation on the agent has the same legal effect as service on
24 the owner for the purpose of fines against the owner or the
25 property, including a warrant or capias.

26 (b) The county or municipality issuing the citation shall
27 mail notice of the citation to the property owner at the address

1 most recently provided to the county or municipality by the
2 property owner or by the employee of the owner or management company
3 under Section 250.003(a). This subsection does not require a
4 county or municipality to mail notice using a service that provides
5 delivery confirmation.

6 SECTION 40. Section 262.003(a), Local Government Code, is
7 amended to read as follows:

8 (a) Any law that requires a county to follow a competitive
9 bidding procedure in making a purchase requiring the expenditure of
10 \$50,000 [~~\$25,000~~] or less does not apply to the purchase of an item
11 available for purchase from only one supplier.

12 SECTION 41. Section 262.023(a), Local Government Code, is
13 amended to read as follows:

14 (a) Before a county may purchase one or more items under a
15 contract that will require an expenditure exceeding \$50,000
16 [~~\$25,000~~], the commissioners court of the county must:

17 (1) comply with the competitive bidding or competitive
18 proposal procedures prescribed by this subchapter;

19 (2) use the reverse auction procedure, as defined by
20 Section 2155.062(d), Government Code, for purchasing; or

21 (3) comply with a method described by Subchapter H,
22 Chapter 271.

23 SECTION 42. Section 270.007(f), Local Government Code, is
24 amended to read as follows:

25 (f) Except as provided by Subsection (b), [~~upon request of~~
26 ~~any person,~~] a county may [~~shall~~] sell or license software under
27 this section for a price negotiated between the county and the

1 person, including another governmental entity [~~, not to exceed the~~
2 ~~developmental cost to the county. Developmental cost shall only~~
3 ~~include costs incurred under a contract to procure the software or~~
4 ~~direct employee costs incurred to develop the software. This~~
5 ~~subsection does not apply to any county software that protects~~
6 ~~county computer systems from unauthorized use or access~~].

7 SECTION 43. Section 271.024, Local Government Code, is
8 amended to read as follows:

9 Sec. 271.024. COMPETITIVE BIDDING PROCEDURE APPLICABLE TO
10 CONTRACT. The bidding of [~~If a governmental entity is required by~~
11 ~~statute to award~~] a contract awarded by a governmental entity for
12 the construction, repair, or renovation of a structure, road,
13 highway, or other improvement or addition to real property [~~on the~~
14 ~~basis of competitive bids, and if the contract requires the~~
15 ~~expenditure of more than \$25,000 from the funds of the entity, the~~
16 ~~bidding on the contract~~] must be accomplished in the manner
17 provided by this subchapter if:

18 (1) a statute requires the governmental entity to
19 award the contract on the basis of competitive bids; and

20 (2) the contract requires the expenditure of more
21 than:

22 (A) \$25,000 from the funds of a governmental
23 entity other than a county; or

24 (B) \$50,000 from the funds of a county.

25 SECTION 44. Section 363.156(b), Local Government Code, is
26 amended to read as follows:

27 (b) To the extent competitive bidding procedures in Title 8

1 apply, the board may not enter purchasing contracts that involve
2 spending more than \$50,000 [~~\$25,000~~] unless the board complies
3 with:

4 (1) Subchapter C, Chapter 262, if the district was
5 created by a county; or

6 (2) Chapter 252, if the district was created by a
7 municipality.

8 SECTION 45. Subchapter A, Chapter 372, Local Government
9 Code, is amended to read as follows:

10 SUBCHAPTER A. PUBLIC IMPROVEMENT DISTRICTS

11 Sec. 372.001. SHORT TITLE. This subchapter may be cited as
12 the Public Improvement District Assessment Act.

13 Sec. 372.0015. DEFINITIONS [~~DEFINITION~~]. In this
14 subchapter:

15 (1) "Authorized instrumentality" means a public
16 facility corporation created by the governing body of a
17 municipality or county under Chapter 303 or a local government
18 corporation created by the governing body of a municipality or
19 county under Subchapter D, Chapter 431, Transportation Code.

20 (2) "Extraterritorial[, ~~extraterritorial~~
21 jurisdiction" means extraterritorial jurisdiction of a
22 municipality as determined under Chapter 42.

23 (3) "Public improvement district" or "district" means
24 an area defined by the governing body of a municipality or county
25 that:

26 (A) consists of one or more contiguous or
27 noncontiguous tracts of land; and

1 (B) will be specially benefited as determined by
2 the municipality or county by any or all of the public improvements
3 or services.

4 (4) "Qualified costs" means the costs and expenses
5 incurred in establishing, administering, managing, and operating a
6 public improvement district, including:

7 (A) costs and expenses of or related to the
8 construction of an improvement project;

9 (B) financing of an improvement project by a
10 municipality, county, or authorized instrumentality, including the
11 debt service requirements owed or to be owed under installment
12 purchase or reimbursement contracts, temporary notes, time
13 warrants, revenue bonds, special assessment bonds, or certificates
14 of obligation, including reserve funds and capitalized interest;

15 (C) costs and expenses of or related to the
16 negotiation, development, and execution of the obligations
17 described by Paragraph (B);

18 (D) costs and expenses of or related to credit
19 and interest rate management agreements entered into under Chapter
20 1371, Government Code;

21 (E) costs of attorneys and other professional
22 advisors, including consultants; and

23 (F) costs related to the administrative
24 oversight of public improvements, services, and operations of the
25 public improvement district.

26 (5) "Revenue bonds" means bonds, notes, or other
27 securities issued by a municipality, county, or authorized

1 instrumentality that are payable from and secured by liens on all or
2 part, or a combination of, the revenue derived from installment
3 payments of special assessments plus any other revenues, donations,
4 grants, or income described by Section 372.026(e).

5 (6) "Special assessment bonds" means bonds, notes, or
6 other securities issued by a municipality, county, or authorized
7 instrumentality that are payable solely from and secured by special
8 assessments levied by the governing body of the municipality or
9 county in a public improvement district.

10 (7) "Special district" means a political subdivision
11 of this state with a limited geographic area created by local law or
12 under general law for a special purpose.

13 Sec. 372.002. EXERCISE OF POWERS. (a) A public
14 improvement district is not a separate body politic or corporate
15 from the municipality or county that created the district.

16 (b) Subject to Section 372.010(c), powers [~~Powers~~] granted
17 under this subchapter in an area comprising a public improvement
18 district may be exercised by a municipality or county on and after
19 the date [~~in which~~] the governing body of the municipality or county
20 [~~initiates or~~] receives a petition requesting the establishment of
21 a public improvement district that complies [~~. A petition must~~
22 ~~comply~~] with the requirements of Section 372.005.

23 (c) The powers granted under this subchapter may be
24 exercised by the governing body of any other political subdivision
25 if the law creating or governing the political subdivision grants
26 the political subdivision authority described by this subchapter.
27 The governing body of the political subdivision has the same powers

1 and is subject to the same limitations as are applicable to the
2 governing body of a municipality or a county under this subchapter
3 unless and except as modified by the law creating or governing the
4 political subdivision.

5 Sec. 372.003. AUTHORIZED IMPROVEMENTS AND SERVICES.

6 (a) If the governing body of a municipality or county finds that it
7 promotes the interests of the municipality or county, the governing
8 body may create one or more public improvement districts under this
9 subchapter and undertake one or more [~~an~~] improvement projects
10 [~~project~~] that confer [~~confers~~] a special benefit on the property
11 located in the public improvement district [~~a definable part of the~~
12 ~~municipality or county or the municipality's extraterritorial~~
13 ~~jurisdiction~~]. A project may be undertaken within or outside the
14 district in the municipality or county or in the municipality's
15 extraterritorial jurisdiction if the project benefits the
16 district.

17 (b) A public improvement project may include:

- 18 (1) landscaping;
- 19 (2) erection of fountains, distinctive lighting, and
20 signs;
- 21 (3) acquiring, constructing, improving, repairing,
22 widening, narrowing, closing, or rerouting of sidewalks or of
23 streets, roads, highways, bridges, culverts, water retention
24 walls, [any other roadways,] or related [~~their~~] rights-of-way owned
25 by or to be conveyed to the municipality, the county, the federal
26 government, or another political subdivision or entity exercising
27 powers granted under this subchapter;

- 1 (4) construction or improvement of pedestrian malls;
- 2 (5) acquisition and installation of pieces of art;
- 3 (6) acquisition, construction, or improvement of
- 4 ~~libraries,~~
- 5 ~~[(7) acquisition, construction, or improvement of]~~
- 6 off-street parking facilities;
- 7 (7) ~~[(8)]~~ acquisition, construction, or improvement~~[-~~
- 8 ~~or rerouting]~~ of mass transportation facilities, including light
- 9 rail mass transit, streetcar, or similar systems, and related
- 10 vehicle parking facilities;
- 11 (8) ~~[(9)]~~ acquisition, construction, or improvement
- 12 of water, wastewater, or drainage facilities or improvements;
- 13 (9) ~~[(10)]~~ the establishment or improvement of parks,
- 14 playgrounds, lakes, and open spaces, including paths, trails, boat
- 15 docks, and wharves;
- 16 (10) acquisition, construction, or improvement of
- 17 other public projects that are determined by the municipality or
- 18 county to promote the interests of the municipality or county and to
- 19 be of a special benefit to the public improvement district,
- 20 including:
- 21 (A) community centers, recreation centers, and
- 22 recreation facilities;
- 23 (B) libraries;
- 24 (C) facilities for police, sheriffs, or
- 25 firefighters;
- 26 (D) municipal or county administration centers;
- 27 and

1 (E) other governmental buildings for the
2 provision of governmental services;

3 (11) acquisition, construction, or improvement of
4 other public projects, facilities, or services required by a
5 development agreement, interlocal agreement, zoning regulation, or
6 permit issued by a municipality or county having jurisdiction in
7 the public improvement district;

8 (12) acquisition, construction, maintenance, or
9 improvement of buildings and other facilities commonly used for
10 teaching, research, or the preservation of knowledge by an
11 institution of higher education as defined by Section 372.0045 or
12 for auxiliary purposes of the institution, including
13 administration, student services and housing, athletics,
14 performing arts, and alumni support;

15 (13) [~~(11)~~ projects similar to those listed in
16 Subdivisions (1)-(10),

17 [~~(12)~~] acquisition, by purchase or otherwise, of real
18 property in connection with an authorized improvement; and

19 (14) [~~(13)~~] special supplemental services for
20 improvement and promotion of the district, including services
21 relating to:

22 (A) advertising;

23 (B) [~~7~~] promotion;

24 (C) [~~7~~] health and sanitation;

25 (D) [~~7~~] water and wastewater;

26 (E) enhanced fire protection, police, sheriff,
27 and other [~~7~~] public safety and [~~7~~] security;

1 (F) business recruitment;

2 (G) development;

3 (H) recreation; and

4 (I) cultural enhancement ~~;~~ and

5 ~~[(14) payment of expenses incurred in the~~
6 ~~establishment, administration, and operation of the district].~~

7 **(b-1) The legislature finds that a purpose described by**
8 **Subsection (b)(12), including an auxiliary purpose, is an**
9 **authorized economic development purpose of a county or municipality**
10 **under Section 52-a, Article III, Texas Constitution.**

11 (c) A public improvement project may include or may be
12 limited to the provision of all or any part of the services
13 described by Subsection (b)(14) ~~[(b)(13)]~~.

14 (d) A municipality that exercises powers under this
15 subchapter may establish a public improvement district in the
16 corporate limits or the extraterritorial jurisdiction of the
17 municipality. A county or other political subdivision that
18 exercises powers under this subchapter may establish a public
19 improvement district in the county or the area of the political
20 subdivision, including in the corporate limits or the
21 extraterritorial jurisdiction of a municipality unless within 30
22 days after the date notice is provided to the municipality of an [a
23 ~~county's~~] action to approve [such] a public improvement district,
24 the [a ~~home rule~~] municipality objects to the district's [its]
25 establishment within the municipality's corporate limits or
26 extraterritorial jurisdiction.

27 Sec. 372.004. COMBINED IMPROVEMENTS. A public [An]

1 improvement project may consist of an improvement on more than one
2 street or of more than one type of improvement. An improvement [A]
3 project described by this section may be included in one proceeding
4 and financed as one improvement project.

5 Sec. 372.0045. AUTHORIZED HIGHER EDUCATION FACILITIES;
6 LEASE TO INSTITUTION OF HIGHER EDUCATION. (a) In this section,
7 "institution of higher education" has the meaning assigned by
8 Section 61.003, Education Code.

9 (b) The governing body of a municipality or county that
10 establishes a public improvement district to finance a public
11 improvement project described by Section 372.003(b)(12) may enter
12 into a memorandum of understanding with an institution of higher
13 education that provides educational services in the municipality or
14 county under which the municipality or county leases the public
15 improvement project to the institution, at a nominal rate, for use
16 by the institution in providing teaching, research, public service,
17 or auxiliary enterprise activities to students of the institution.

18 (c) A memorandum of understanding entered into by a
19 municipality or county under this section must include adequate
20 controls to ensure that the lease of the public improvement project
21 promotes the municipality's or county's interests and provides a
22 public benefit to the area served by the district.

23 Sec. 372.005. PETITION. (a) A petition for the
24 establishment of a public improvement district must state:

25 (1) the general nature of the proposed improvements
26 [improvement];

27 (2) the estimated qualified costs ~~[cost]~~ of the

1 improvements [~~improvement~~];

2 (3) the boundaries of the proposed [~~assessment~~]
3 district;

4 (4) the proposed method of assessment, which may
5 specify included or excluded classes of assessable property;

6 (5) [~~the proposed apportionment of cost between the~~
7 ~~public improvement district and the municipality or county as a~~
8 ~~whole,~~

9 [~~(6)~~] whether the management of the district is to be
10 by:

11 (A) the municipality;

12 (B) the [~~or~~] county;

13 (C) an authorized instrumentality;

14 (D) [~~or~~] the private sector; [~~or~~]

15 (E) a partnership between the private sector and
16 one of the entities described by Paragraphs (A)-(C) [~~municipality~~
17 ~~or county and the private sector~~];

18 (6) [~~(7)~~] that the persons signing the petition
19 request or concur with the establishment of the district; and

20 (7) [~~(8)~~] that an advisory body may be established or
21 an authorized instrumentality may be incorporated to develop and
22 recommend an improvement plan to the governing body of the
23 municipality or county.

24 (b) The petition is sufficient if signed by:

25 (1) owners of taxable real property representing more
26 than 50 percent of the appraised value of taxable real property
27 liable for assessment under the proposal, as determined by the

1 current roll of the appraisal district in which the property is
2 located; and

3 (2) record owners of real property liable for
4 assessment under the proposal who:

5 (A) constitute more than 50 percent of all record
6 owners of property that is liable for assessment under the
7 proposal; or

8 (B) own taxable real property that constitutes
9 more than 50 percent of the area of all taxable real property that
10 is liable for assessment under the proposal.

11 (c) A [The] petition filed with the municipality may be
12 filed with the municipal secretary or other officer performing the
13 functions of the municipal secretary. A petition filed with the
14 county may be filed with the county clerk or other officer
15 designated by the commissioners court. A petition filed with any
16 other political subdivision exercising powers under this
17 subchapter may be filed with the political subdivision's governing
18 body.

19 Sec. 372.006. FINDINGS. (a) If a petition that complies
20 with this subchapter is filed, the governing body of the
21 municipality or county may make findings by resolution as to:

22 (1) the advisability of the proposed improvements;

23 (2) the [improvement, its] estimated qualified costs
24 of the proposed improvements; and

25 (3) [cost,] the method of assessment [and the
26 apportionment of cost between the proposed improvement district and
27 the municipality or county as a whole].

1 (b) The governing body's findings under this section are
2 conclusive.

3 Sec. 372.007. FEASIBILITY REPORT. (a) Before holding the
4 hearing required by Section 372.009, the governing body of the
5 municipality may use the services of municipal employees, the
6 governing body of the county may use the services of county
7 employees, or the governing body of the municipality or county may
8 employ consultants to prepare a report to determine whether
9 improvements [~~an improvement~~] should be made as proposed by
10 petition or otherwise or whether improvements [~~the improvement~~]
11 should be made in combination with other improvements authorized
12 under this subchapter. The governing body may also require that a
13 preliminary estimate of the qualified costs [~~cost~~] of improvements
14 [~~the improvement~~] or a combination of improvements be made.

15 (b) For the purpose of determining the feasibility and
16 desirability of a public [~~an~~] improvement district, the governing
17 body may take other preliminary steps before the hearing required
18 by Section 372.009 and [~~7~~] before establishing a public improvement
19 district [~~7, or before entering into a contract~~].

20 Sec. 372.008. ADVISORY BODY. (a) The [~~After receiving a~~
21 ~~petition that complies with Section 372.005, the~~] governing body of
22 the municipality or county, on the governing body's own initiative
23 or after receiving a petition that complies with Section 372.005,
24 may appoint an advisory body with the responsibility of developing
25 and recommending an improvement plan to the governing body.

26 (b) The composition of an [~~the~~] advisory body, if
27 established, must include:

1 (1) owners of taxable real property representing more
2 than 50 percent of the appraised value of taxable real property
3 liable for assessment under the proposal, as determined by the
4 current roll of the appraisal district in which the property is
5 located; and

6 (2) record owners of real property liable for
7 assessment under the proposal who:

8 (A) constitute more than 50 percent of all record
9 owners of property that is liable for assessment under the
10 proposal; or

11 (B) own taxable real property that constitutes
12 more than 50 percent of the area of all taxable real property that
13 is liable for assessment under the proposal.

14 (c) The members of the advisory body serve at the will of the
15 governing body of the municipality or county creating the public
16 improvement district and may be removed at any time.

17 Sec. 372.009. HEARING. (a) A public improvement district
18 may be established and improvements provided by the district may be
19 financed under this subchapter only after the governing body of the
20 municipality or county holds a public hearing on the advisability
21 of the improvements [~~improvement~~].

22 (b) The hearing may be adjourned from time to time until the
23 governing body makes findings by resolution as to:

24 (1) the advisability of each [~~the~~] improvement;

25 (2) the nature of each [~~the~~] improvement;

26 (3) the estimated qualified costs [~~cost~~] of each [~~the~~]
27 improvement;

1 (4) the boundaries of the [~~public improvement~~]
2 district; and

3 (5) the method of assessment [~~, and~~

4 [~~(6) the apportionment of costs between the district~~
5 ~~and the municipality or county as a whole~~].

6 (c) Notice of the hearing must be given in a newspaper of
7 general circulation in the municipality or county. If any part of
8 the public improvement district is to be located in the
9 municipality's extraterritorial jurisdiction or if any part of the
10 improvements is to be undertaken in the municipality's
11 extraterritorial jurisdiction, the notice must also be filed with
12 the municipal secretary or other officer performing the duties of
13 the municipal secretary and published [~~given~~] in a newspaper of
14 general circulation in the part of the extraterritorial
15 jurisdiction in which the district is to be located or in which the
16 improvements are to be undertaken. The final publication of notice
17 must be made before the 15th day before the date of the hearing. The
18 notice must state:

19 (1) the time and place of the hearing;

20 (2) the general nature of the proposed improvements
21 [~~improvement~~];

22 (3) the estimated qualified costs [~~cost~~] of the
23 proposed improvements [~~improvement~~];

24 (4) the boundaries of the proposed public improvement
25 [~~assessment~~] district; and

26 (5) the proposed method of assessment [~~, and~~

27 [~~(6) the proposed apportionment of cost between the~~

1 ~~improvement district and the municipality or county as a whole~~].

2 (d) Written notice containing the information required by
3 Subsection (c) must be mailed before the 15th day before the date of
4 the hearing. The notice must be addressed to "Property Owner" and
5 mailed to the current address of the owner, as reflected on tax
6 rolls, of property subject to assessment under the proposed public
7 improvement district.

8 Sec. 372.010. IMPROVEMENT ORDER. (a) During the six-month
9 period after the date of the final adjournment of the hearing under
10 Section 372.009, the governing body of the municipality or county
11 may authorize the creation of a public ~~[an]~~ improvement district
12 subject to Section 372.012 if, by majority vote of all members of
13 the governing body, the governing body adopts ~~[members adopt]~~ a
14 resolution authorizing the district in accordance with its finding
15 as to the advisability of the improvements ~~[improvement]~~.

16 (b) An authorization takes effect when it has been published
17 one time in a newspaper of general circulation in the municipality
18 or county. If any part of the ~~[improvement]~~ district is located in
19 the municipality's extraterritorial jurisdiction or if any part of
20 the improvements is to be undertaken in the municipality's
21 extraterritorial jurisdiction, the authorization does not take
22 effect until the notice is also given one time in a newspaper of
23 general circulation in the part of the extraterritorial
24 jurisdiction in which the district is located or in which the
25 improvements are to be undertaken.

26 (c) Actual construction of improvements ~~[an improvement]~~
27 may not begin, and acquisition of existing improvements may not

1 occur, until after the 20th day after the date the authorization
2 takes effect and may not begin if during that 20-day period written
3 protests signed by at least two-thirds of the owners of record of
4 property within the [~~improvement~~] district or by the owners of
5 record of property comprising at least two-thirds of the total area
6 of the district are filed with the municipal [~~or county~~] secretary
7 or other officer performing the duties of the municipal [~~or county~~]
8 secretary or the county clerk or other officer designated by the
9 commissioners court. A person whose name appears on a protest may
10 withdraw the name from the protest at any time before the governing
11 body of the municipality or county convenes to determine the
12 sufficiency of the protest.

13 (d) Before the levy of assessments under Section 372.017,
14 the property owners in the district who signed the original
15 petition may petition the governing body to amend the resolution
16 creating the district adopted under Subsection (a) to amend the
17 estimated qualified costs of the improvements, including adding or
18 deleting improvement projects. The governing body shall provide
19 notice of the owners' petition and hold a public hearing as provided
20 by Section 372.009 to make findings, by amended resolution, of the
21 nature and estimated qualified costs of each improvement. A county
22 or other entity that proposes to amend a resolution under this
23 subsection in the corporate boundaries or extraterritorial
24 jurisdiction of a municipality shall provide notice to the
25 municipality on or before the 30th day before the date the entity
26 amends the resolution.

27 Sec. 372.011. DISSOLUTION. (a) A public hearing may be

1 ~~[called and]~~ held after giving notice in the same manner as a
2 hearing under Section 372.009 for the purpose of dissolving a
3 district if a petition requesting dissolution is filed and the
4 petition contains the signatures of at least enough property owners
5 in the district to make a petition sufficient under Section
6 372.005(b). If the district is dissolved, the district nonetheless
7 shall remain in effect for the purpose of meeting obligations of
8 indebtedness for improvements.

9 (b) A district may be dissolved at the discretion of the
10 governing body without a petition only if no assessments have been
11 levied on property in the district or if assessments previously
12 levied have been paid in full and the district has no other
13 outstanding obligations. A dissolution under this subsection may
14 not occur until after the governing body holds a hearing and gives
15 notice in the manner required by Section 372.009.

16 Sec. 372.012. AREA OF DISTRICT. The area of a public
17 improvement district to be assessed according to the findings of
18 the governing body of the municipality or county establishing the
19 boundaries may include contiguous and noncontiguous tracts of land
20 and may be less than the area described in the proposed boundaries
21 stated by the notice under Section 372.009. The area to be assessed
22 may not include property not described by the notice as being within
23 the proposed boundaries of the district unless a hearing is held to
24 include the property and notice for the hearing is given in the same
25 manner as notice under Section 372.009.

26 Sec. 372.013. SERVICE PLAN. (a) The advisory body shall
27 prepare an ongoing service plan and present the plan to the

1 governing body of the municipality or county for review and
2 approval. The governing body may assign responsibility for the
3 plan to the employees of the governing body or an authorized
4 instrumentality or to another entity instead [~~in the absence~~] of an
5 advisory body.

6 (b) The plan must cover a period of at least five years and
7 must also define the annual indebtedness and the projected
8 qualified costs for improvements.

9 (c) The plan shall be reviewed and updated annually for the
10 purpose of determining the annual budget for improvements. As part
11 of the annual update, a revised assessment roll must be prepared to
12 reflect any division of parcels and any reallocation of assessments
13 based on the division.

14 Sec. 372.014. ASSESSMENT PLAN; PAYMENT BY EXEMPT
15 JURISDICTIONS. (a) An assessment plan must be included in the
16 annual service plan prepared under Section 372.013.

17 (b) The municipality or county is responsible for payment of
18 assessments against exempt municipal or county property in the
19 district if any assessments are levied. Payment of assessments by
20 other exempt jurisdictions must be established by contract.

21 (c) The assessment plan may require the district to be
22 divided into development phases and, subject to Sections 372.016
23 and 372.017, may levy assessments periodically in separate
24 development phases or may stagger the collection of assessments,
25 with different development phases in the district assigned
26 different payment and collection dates. The development phases and
27 staggered collection dates may be coordinated with the installation

1 of the improvements or with the maturity dates of installation
2 purchase or reimbursement contract obligations or with temporary
3 notes, time warrants, or bonds [~~An assessment paid by the~~
4 ~~municipality or county under this subsection is considered to have~~
5 ~~been paid by special assessment for the purposes of Subsection~~
6 ~~(a)~~].

7 Sec. 372.015. DETERMINATION OF ASSESSMENT. (a) The
8 governing body of the municipality or county shall apportion the
9 qualified costs [~~cost~~] of an improvement to be assessed against
10 property in a public [~~an~~] improvement district. The apportionment
11 shall be made on the basis of special benefits accruing to the
12 property because of the improvement.

13 (b) The qualified costs [~~Cost~~] of an improvement may be
14 assessed:

- 15 (1) equally per front foot or square foot;
16 (2) according to the value of the property as
17 determined by the governing body, with or without regard to
18 improvements on the property; or
19 (3) in any other manner that results in imposing equal
20 shares of the qualified costs [~~cost~~] on property similarly
21 benefitted.

22 (c) The governing body may establish by ordinance or order:
23 (1) reasonable classifications and formulas for the
24 apportionment of the qualified costs [~~cost~~] between the
25 municipality or county and the area to be assessed; and
26 (2) the methods of assessing the special benefits for
27 various classes of improvements.

1 (d) The amount of assessment for each property owner may be:
2 (1) adjusted following the annual review of the
3 service plan; and
4 (2) reallocated, but not increased, if an assessed
5 parcel has been divided.

6 (e) Notice of any reallocation of assessments shall be given
7 to the property owner of the divided parcel.

8 (f) The findings, determinations, and assessments made by
9 the governing body under this section are conclusive.

10 Sec. 372.016. ASSESSMENT ROLL. (a) The [~~After the total~~
11 ~~cost of an improvement is determined, the governing body of the~~]
12 municipality or county shall prepare a proposed assessment roll
13 based on the estimated qualified costs of the improvements. The
14 roll must state the assessment against each parcel of land in the
15 district and [~~, as determined by~~] the method of assessment [~~chosen~~
16 ~~by the municipality or county under this subchapter~~].

17 (b) The [~~governing body shall file the~~] proposed assessment
18 roll must be filed with the municipal secretary or other officer
19 performing the functions of the municipal secretary or in a
20 district formed by a county, the county tax assessor-collector.
21 The proposed assessment roll is subject to public inspection. When
22 the assessment roll is filed, the appropriate designated officer
23 described by this subsection shall [~~The governing body shall~~
24 ~~require the municipal secretary or other officer or county tax~~
25 ~~assessor-collector to~~] publish notice of the governing body's
26 intention to consider the proposed assessments at a public hearing.
27 The notice must be published in a newspaper of general circulation

1 in the municipality or county before the 10th day before the date of
2 the hearing. If any part of the public improvement district is
3 located in the municipality's extraterritorial jurisdiction or if
4 any part of the improvements is to be undertaken in the
5 municipality's extraterritorial jurisdiction, the notice must also
6 be published, before the 10th day before the date of the hearing, in
7 a newspaper of general circulation in the part of the
8 extraterritorial jurisdiction in which the district is located or
9 in which the improvements are to be undertaken. The notice must
10 state:

- 11 (1) the date, time, and place of the hearing;
- 12 (2) the general nature of the improvements
13 ~~[improvement]~~;
- 14 (3) the qualified costs ~~[cost]~~ of the improvements
15 ~~[improvement]~~;
- 16 (4) the boundaries of the ~~[assessment]~~ district; and
- 17 (5) that written or oral objections will be considered
18 at the hearing.

19 (c) When the assessment roll is filed under Subsection (b),
20 the appropriate designated ~~[municipal secretary or other]~~ officer
21 shall mail to the owners of property liable for assessment a notice
22 of the hearing. The notice must contain the information required by
23 Subsection (b) and the appropriate designated ~~[secretary or other]~~
24 officer shall mail the notice to the last known address of the
25 property owner. The failure of a property owner to receive notice
26 does not invalidate the proceeding.

27 Sec. 372.017. LEVY OF ASSESSMENTS ~~[ASSESSMENT]~~. (a) At or

1 on the adjournment of the hearing referred to by Section 372.016 on
2 proposed assessments, the governing body of the municipality or
3 county must hear and pass on any objection to a proposed assessment.

4 The governing body may:

5 (1) amend a proposed assessment on any parcel; and

6 (2) initially or by amendment, provide for reductions
7 of the amount of the annual assessment installments if and to the
8 extent other revenues of the municipality or county of any of the
9 types described by Section 372.026(e) are pledged or become
10 available to pay all or part of installment purchase or
11 reimbursement contract obligations or temporary notes, time
12 warrants, revenue bonds, special assessment bonds, or certificates
13 of obligation that are payable in whole or in part from the
14 assessment installments.

15 (b) After all objections have been heard and the governing
16 body has passed on the objections, the governing body by ordinance
17 or order shall levy the assessment in the amount required to pay
18 qualified costs as a special assessment on the property. The
19 governing body by ordinance or order shall specify the method of
20 payment of the assessment. The governing body may provide that
21 assessments be paid in periodic installments. The installments may
22 be in equal or different annual amounts, but must be in amounts each
23 year necessary to meet annual qualified costs. The installments
24 ~~[for improvements and]~~ must continue for a period and be in amounts
25 necessary to retire any [the] indebtedness or obligation to pay or
26 reimburse for the qualified costs, including the proper
27 administration of the district [on the improvements]. The

1 obligation to pay installments may be conditioned on the occurrence
2 of a future event or condition if the first periodic installment
3 payment of the assessment occurs on a date not later than the fifth
4 anniversary of the date the assessment was levied.

5 (c) The governing body may:

6 (1) levy multiple assessments on property in the
7 district to finance all or part of public improvements and must
8 comply with Section 372.016 for each assessment;

9 (2) execute and deliver installment purchase or
10 reimbursement contracts or temporary notes or time warrants or
11 issue revenue bonds, special assessment bonds, or certificates of
12 obligation to pay the qualified costs or to refund previously
13 executed installment purchase or reimbursement contracts or
14 temporary notes or time warrants; and

15 (3) secure the obligations described by Subdivision
16 (2) by pledging one or more of the assessments levied under this
17 subchapter.

18 Sec. 372.018. INTEREST ON ASSESSMENT; LIEN. (a) An
19 assessment bears interest at the rate and for the period specified
20 by the governing body of the municipality or county, but may not
21 exceed a rate that is [~~one-half of~~] one percent higher than the
22 actual interest rate paid on any installment purchase or
23 reimbursement contract obligation or temporary note or time warrant
24 [~~the public debt~~] used to finance or to evidence an obligation to
25 pay for the improvement. If revenue bonds, special assessment
26 bonds, or certificates of obligation are issued to pay or refund any
27 of the obligations described by this subsection, the annual

1 interest rate is adjusted to a rate not to exceed one percent higher
2 than the actual rate paid on the bonds or certificates, if the rate
3 is lower than the rate on the obligations. Interest on the
4 assessment between the effective date of the ordinance or order
5 levying the assessment and the date the first installment is
6 payable shall be added to the first installment. The interest on
7 any delinquent installment shall be added to each subsequent
8 installment until all delinquent installments are paid. The added
9 interest payable on an installment purchase or reimbursement
10 contract or a temporary note, time warrant, or bond under this
11 subsection may be used by a municipality or county to pay qualified
12 costs of improvements or the costs of administration of the
13 district, including the enforcement of assessments or the payment
14 or prepayment of obligations.

15 (b) An assessment or reassessment, with interest, the
16 expense of collection, and reasonable attorney's fees, if incurred,
17 is a first and prior lien against the property assessed, superior to
18 all other liens and claims except liens or claims for [~~state,~~
19 county, special [~~school~~] district, or municipality ad valorem
20 taxes, and is a personal liability of and charge against the owners
21 of the property regardless of whether the owners are named. The
22 lien is effective from the date of the ordinance or order levying
23 the assessment until the assessment is paid in full and may be
24 enforced by the governing body in the same manner that an ad valorem
25 tax lien against real property may be enforced by the governing
26 body. On the sale of assessed property, any installment or portion
27 of an assessment that is or will be payable for the property during

1 the year of the sale shall be prorated between the buyer and the
2 seller in the same manner as ad valorem taxes are prorated between a
3 buyer and seller. Delinquent installments of the assessment shall
4 incur interest, penalties, and ~~[attorney's]~~ fees in the same manner
5 as delinquent ad valorem taxes.

6 (c) A district assessment on property under this subchapter
7 runs with the land. Any portion of an assessment payment obligation
8 that is not yet due is not eliminated by the foreclosure of an ad
9 valorem tax lien. Any purchaser of property at a foreclosure sale
10 under an ad valorem tax lien takes the property subject to any
11 assessment payment obligation that is not yet due and to the terms
12 of payment under the applicable assessment ordinance or order.

13 (d) The owner of assessed property may pay at any time on any
14 parcel or lot the entire assessment, with interest that:

15 (1) has accrued on the assessment; and

16 (2) will accrue on the assessment until the next
17 scheduled prepayment or redemption date on the installment purchase
18 or reimbursement contract or temporary note, time warrant, revenue
19 bond, special assessment bond, or certificate of obligation that
20 secured the assessment ~~[, on any lot or parcel]~~.

21 Sec. 372.019. SUPPLEMENTAL ASSESSMENTS. After notice and a
22 hearing, the governing body of the municipality or county may make
23 supplemental assessments to correct omissions or mistakes in the
24 assessment relating to the qualified costs ~~[total cost]~~ of the
25 improvement. Notice must be given and the hearing held under this
26 section in the same manner as required by Sections 372.016 and
27 372.017.

1 Sec. 372.020. REASSESSMENT. The governing body of the
2 municipality or county may make a reassessment or new assessment of
3 a parcel of land if:

4 (1) a court [~~of competent jurisdiction~~] sets aside an
5 assessment against the parcel;

6 (2) the governing body determines that the original
7 assessment is excessive; or

8 (3) on the written advice of counsel, the governing
9 body determines that the original assessment is invalid.

10 Sec. 372.021. SPECIAL IMPROVEMENT DISTRICT FUND. (a) A
11 municipality or county that intends to create a public improvement
12 district may by ordinance or order establish a special improvement
13 district fund in the municipal or county treasury or in a bank
14 designated by the municipality or county to serve as a depository
15 bank for the district's funds.

16 (b) The municipality or county annually may levy a tax to
17 support the fund established under this section.

18 (c) The fund may be used to:

19 (1) pay the qualified costs of improvements [~~planning,~~
20 ~~administration, and an improvement authorized by this subchapter~~];

21 (2) prepare preliminary plans, studies, and
22 engineering reports to determine the feasibility of improvements
23 [~~an improvement~~]; and

24 (3) if ordered by the governing body of the
25 municipality or county, pay the initial qualified costs of
26 improvements [~~cost of the improvement~~] until installment purchase
27 contracts or reimbursement contracts are entered into or temporary

1 notes or~~[,]~~ time warrants are issued or revenue bonds, special
2 assessment bonds, or certificates of obligation are~~[, or~~
3 ~~improvement bonds have been]~~ issued and sold.

4 (d) The fund is not required to be budgeted for expenditure
5 during any year, but the amount of the fund must be stated in the
6 municipality's or county's annual budget. The amount of the fund
7 must be based on an annual service plan that describes the public
8 improvements for the fiscal year.

9 ~~[(e) A grant-in-aid or contribution made to the~~
10 ~~municipality or county for the planning and preparation of plans~~
11 ~~for an improvement authorized under this subchapter may be credited~~
12 ~~to the special improvement district fund.]~~

13 Sec. 372.022. SEPARATE FUNDS. (a) A separate public
14 improvement district fund shall be created in the municipal or
15 county treasury or in a designated depository bank as provided by
16 Section 372.021 for each district.

17 (b) The following revenues shall be deposited to the fund:

18 (1) special assessments;

19 (2) money, if any, contributed by the municipality or
20 county to pay qualified costs;

21 (3) proceeds [~~Proceeds~~] from the sale of revenue
22 bonds, if payable in part from special assessments;

23 (4) proceeds from the sale of special assessment bonds
24 or certificates of obligation;~~[, temporary notes, and time~~
25 ~~warrants,~~] and

26 (5) any other sums appropriated to the fund by the
27 governing body of the municipality or county for the district

1 ~~[shall be credited to the fund].~~

2 (c) The fund may be used solely to pay:

3 (1) qualified costs of improvement;

4 (2) amounts due on an installment purchase contract or
5 reimbursement amounts owed under a reimbursement contract,
6 temporary note, or time warrant; or

7 (3) any revenue bonds, special assessment bonds, or
8 certificates of obligation that are payable in whole or in part from
9 special assessments levied under this subchapter ~~[incurred in~~
10 ~~making an improvement].~~

11 (d) When an improvement is completed and all of the
12 obligations are paid in full, the balance on deposit in the special
13 improvement district fund that was derived from special
14 assessments, if any, ~~[of the part of the assessment that is for~~
15 ~~improvements]~~ shall be transferred to a [the] fund established for
16 the retirement of bonds that are payable in whole or in part from
17 assessments.

18 Sec. 372.023. PAYMENT OF QUALIFIED COSTS. (a) The
19 qualified costs ~~[cost]~~ of an improvement made under this subchapter
20 may ~~[must]~~ be paid by a method or by a combination of methods
21 described by ~~[in accordance with]~~ this section and Section 372.024.

22 (b) The ~~[A cost payable by the]~~ municipality or county ~~[as a~~
23 ~~whole]~~ may, on its own or under an installment purchase,
24 reimbursement, or other contract with a third party:

25 (1) erect, acquire, construct, improve, repair,
26 establish, install, or equip improvements; and

27 (2) pay all or part of the qualified costs of the

1 improvements [~~be paid~~] from:

2 (A) general funds or other revenues available for
3 that [~~the~~] purpose;

4 (B) special assessments; or

5 (C) the issuance and sale of general obligation
6 bonds, certificates of obligation, revenue bonds, or special
7 assessment bonds [~~other available general funds~~].

8 (c) The municipality or county may enter into and execute an
9 installment purchase or reimbursement contract with or may deliver
10 a nonnegotiable but transferable temporary note or time warrant to
11 a third party under which:

12 (1) the third party agrees to:

13 (A) erect, acquire, construct, improve, repair,
14 establish, install, or equip public improvements; and

15 (B) dedicate or sell the improvements to the
16 municipality, county, or authorized instrumentality; and

17 (2) the municipality, county, or authorized
18 instrumentality agrees to pay or reimburse the third party for the
19 qualified costs by paying accumulated amounts due under the
20 installment purchase or reimbursement contract, temporary note, or
21 time warrant from any and all of the sources described by Subsection
22 (b)(2) [A cost payable from a special assessment that has been paid
23 in full shall be paid from that assessment].

24 (d) Subject to Section 372.018, an installment purchase or
25 reimbursement contract, temporary note, or time warrant may bear
26 interest at a rate and for a period determined by the governing body
27 of the municipality or county [~~A cost payable from a special~~

1 ~~assessment that is to be paid in installments and a cost payable by~~
2 ~~the municipality or county as a whole but not payable from available~~
3 ~~general funds or other available general improvement funds shall be~~
4 ~~paid by the issuance and sale of revenue or general obligation~~
5 ~~bonds].~~

6 (e) An installment purchase or reimbursement contract,
7 temporary note, or time warrant that is payable from installments
8 of assessments is subject to prepayment and redemption at any time
9 from the proceeds of prepayment of assessments made by a property
10 owner under Section 372.018(d) [~~While an improvement is in~~
11 ~~progress, the governing body of the municipality or county may~~
12 ~~issue temporary notes or time warrants to pay for the costs of the~~
13 ~~improvement and, on completion of the improvement, issue revenue or~~
14 ~~general obligation bonds.~~

15 [~~(f) The cost of more than one improvement may be paid from a~~
16 ~~single issue and sale of bonds without other consolidation~~
17 ~~proceedings before the bond issue.~~

18 [~~(g) The costs of any improvement include all costs incurred~~
19 ~~in connection with the issuance of bonds under Section 372.024 and~~
20 ~~may be included in the assessments against the property in the~~
21 ~~improvement district as provided by this subchapter].~~

22 Sec. 372.024. GENERAL OBLIGATION BONDS, [~~AND~~] REVENUE AND
23 SPECIAL ASSESSMENT BONDS, CERTIFICATES OF OBLIGATION, AND BONDS
24 ISSUED BY AUTHORIZED INSTRUMENTALITY. (a) The governing body of a
25 municipality or county may issue:

26 (1) general [~~General~~] obligation bonds [~~issued to pay~~
27 ~~costs under Section 372.023(d) must be issued]~~ under [~~the~~

1 ~~provisions of]~~ Subtitles A and C, Title 9, Government Code;

2 (2) revenue bonds or special assessment bonds in one
3 or more series; and

4 (3) certificates of obligation under Subchapter C,
5 Chapter 271.

6 (b) A bond or obligation described by Subsection (a) may be
7 issued to:

8 (1) pay qualified costs under Section 372.023(b),
9 including the costs of issuing bonds; and

10 (2) pay or refund obligations executed or issued under
11 Section 372.023(c).

12 (c) Certificates of obligation may be payable from and
13 secured by installment payments of special assessments levied under
14 this subchapter.

15 (d) The governing body of the municipality or county or the
16 authorized instrumentality may include any term or provision
17 consistent with this subchapter in a revenue bond or a special
18 assessment bond issued under this section.

19 (e) The governing body of a municipality or county may
20 incorporate an authorized instrumentality to act on its behalf to
21 issue revenue bonds or special assessment bonds under this section.

22 The governing body may enter into agreements and contracts with the
23 authorized instrumentality to transfer pledged revenues, funds,
24 and special assessments to or for the account of the authorized
25 instrumentality at the times and as required by the terms of the
26 resolution authorizing the issuance of the revenue bonds or special
27 assessment bonds. Any bonds issued by an authorized

1 instrumentality must be approved by the governing body of the
2 municipality or county before issuance and delivery to the
3 purchaser.

4 (f) To the extent consistent with this subchapter, an
5 authorized instrumentality shall issue revenue bonds or special
6 assessment bonds under:

7 (1) Chapter 303, if the authorized instrumentality is
8 a public facility corporation; or

9 (2) Subchapter D, Chapter 431, Transportation Code, if
10 the authorized instrumentality is a local government corporation
11 ~~[Revenue bonds issued to pay costs under that subsection may be~~
12 ~~issued from time to time in one or more series and are to be payable~~
13 ~~from and secured by liens on all or part of the revenue derived from~~
14 ~~improvements authorized under this subchapter, including revenue~~
15 ~~derived from installment payments of special assessments].~~

16 Sec. 372.0241. SPECIAL ASSESSMENT PUBLIC IMPROVEMENT
17 DISTRICT MANAGEMENT POLICY. (a) The governing body of a
18 municipality or county may develop, adopt, and amend a special
19 assessment public improvement district management policy.

20 (b) The policy may establish the general requirements and
21 standards for and the preconditions to:

22 (1) the creation of a public improvement district
23 under this subchapter;

24 (2) the execution and issuance of installment purchase
25 or reimbursement contracts or temporary notes or time warrants; and

26 (3) the issuance of any bonds or certificates of
27 obligation payable in whole or in part from special assessments.

1 (c) If a management policy is adopted, compliance with the
2 terms of the policy, including any amendments to the policy, is
3 required for:

4 (1) the execution of any installment purchase or
5 reimbursement contracts or temporary notes or time warrants;

6 (2) the issuance of any revenue bonds or special
7 assessment bonds by the municipality or county or by an authorized
8 instrumentality; and

9 (3) the issuance of any certificates of obligation by
10 a municipality or county.

11 Sec. 372.025. TERMS AND CONDITIONS OF BONDS. (a) Revenue
12 bonds and special assessment bonds issued under Section 372.024
13 must be authorized by:

14 (1) ordinance, if issued by a municipality;

15 (2) order, if issued by a county; and

16 (3) resolution, if issued by an authorized
17 instrumentality.

18 (b) Revenue bonds and special assessment bonds may be issued
19 to mature serially or in any other manner but must mature not later
20 than 40 years after their date. A provision may be made for the
21 subsequent issuance of additional parity bonds or subordinate lien
22 bonds secured in whole or in part by any assessments or any other
23 revenues authorized by this subchapter under terms and conditions
24 specified in the ordinance, ~~or~~ order, or resolution authorizing
25 the issuance of the bonds.

26 (c) Revenue bonds, special assessment bonds, and
27 certificates of obligation may be subject to redemption before

1 maturity at the option of the issuer and at the times and in the
2 manner provided by the ordinance, order, or resolution authorizing
3 the issuance. Revenue bonds and certificates of obligation that
4 are secured in part by a pledge of special assessments and all
5 special assessment bonds are subject to mandatory redemption at
6 least semiannually from funds provided by assessed parties, if any,
7 as prepayment of installments of special assessments under Section
8 372.018(d).

9 (d) Revenue bonds and special assessment bonds shall be
10 executed in the manner and by the persons required by the ordinance,
11 order, or resolution authorizing the issuance.

12 (e) Revenue bonds and special assessment [~~(b) The~~] bonds
13 [~~shall be executed and the bonds~~] and any interest coupons
14 appertaining to the bonds [~~them~~] are negotiable instruments within
15 the meaning and for all purposes of the Uniform Commercial Code
16 (Section 1.101 et seq., Business & Commerce Code).

17 (f) The ordinance, [~~or~~] order, or resolution authorizing
18 the issuance of the revenue bonds or special assessment bonds must
19 specify:

20 (1) whether the bonds may be registered [~~are issued~~
21 ~~registrable~~] as to principal alone or as to both principal and
22 interest;

23 (2) whether the bonds are redeemable before maturity;

24 (3) the form, denomination, and manner of issuance;

25 (4) the terms, conditions, and other details applying
26 to the bonds including the price, terms, and interest rates on the
27 bonds; and

1 (5) the manner of sale of the bonds.

2 (g) [~~(e)~~] The ordinance, [~~or~~] order, or resolution
3 authorizing the issuance of the bonds may specify that the proceeds
4 from the sale of the bonds:

5 (1) be used to pay interest on the bonds during and
6 after the period of acquisition or construction of an improvement
7 financed through the sale of the bonds;

8 (2) be used for creating a reserve fund for payment of
9 the principal of and interest on the bonds and for creating other
10 funds; [~~and~~]

11 (3) be used for the payment of any other qualified
12 costs as determined by the governing body of the municipality or
13 county or by the authorized instrumentality; and

14 (4) may be placed in time deposit or invested, until
15 needed.

16 Sec. 372.026. PLEDGES. (a) For the payment of [~~bonds~~
17 ~~issued under this subchapter and the payment of~~] principal,
18 interest, and any other amounts payable on or with respect to any
19 bonds issued by a municipality or county under this subchapter
20 [~~required or permitted in connection with the bonds~~], the governing
21 body of the municipality or county may pledge:

22 (1) all or part of the income from improvements
23 financed under this subchapter, including income received in
24 installment payments from special assessments; and

25 (2) if the payment is for the payment of revenue bonds,
26 any other revenue described by Subsection (e) [~~under Section~~
27 372.023].

1 (b) For the payment of principal, interest, and any other
2 amounts payable on or with respect to bonds issued by an authorized
3 instrumentality under this subchapter, the authorized
4 instrumentality may pledge all or part of the assessments or other
5 revenues, if any, that are to be transferred and paid to the
6 authorized instrumentality by the municipality or county under an
7 agreement entered into between the parties under Section
8 372.024(e).

9 (c) Pledged income must be [~~fixed and collected in amounts~~]
10 sufficient, with other pledged resources, if any, to pay principal,
11 interest, and other expenses related to the bonds, and to the extent
12 required by the ordinance, [~~or~~] order, or resolution authorizing
13 the bonds, to pay for the operation, maintenance, and other
14 expenses related to improvements authorized by this subchapter.

15 (d) Bonds issued by a municipality or county [~~(c) The~~
16 ~~bonds~~] may also be secured by mortgages or deeds of trust on any
17 real property related to the facilities authorized under this
18 subchapter that are owned or are to be acquired by the municipality
19 or county and by chattel mortgages, liens, or security interests on
20 any personal property appurtenant to that real property. The
21 governing body may authorize the execution of trust indentures,
22 mortgages, deeds of trust, or other forms of encumbrances as
23 evidence of the security interest of the holders of the bonds in the
24 related property [~~indebtedness~~].

25 (e) [~~(d)~~] The governing body may pledge to the payment of
26 certificates of obligation issued by the governing body or to the
27 payment of revenue bonds issued by the governing body or by an

1 authorized instrumentality all or part of a grant, donation,
 2 revenue, or income received or to be received from the government of
 3 the United States or any other public or private source, whether or
 4 not it is received pursuant to an agreement or otherwise, including
 5 impact fees and incremental ad valorem tax revenues collected by a
 6 municipality or by another taxing unit and municipal sales tax
 7 collected by a municipality from all or part of a tax increment
 8 reinvestment zone created under Chapter 311, Tax Code.

9 Sec. 372.027. REFUNDING BONDS. (a) Revenue bonds and
 10 special assessment bonds issued under this subchapter and
 11 certificates of obligation payable solely from special assessments
 12 may be refunded or refinanced by the issuance of refunding bonds,
 13 under terms or conditions provided [~~set forth~~] in the ordinance,
 14 order, or resolution authorizing the issuance [~~ordinances or~~
 15 ~~orders~~] of the [~~municipality or county issuing the~~] bonds. The
 16 provisions of this subchapter applying generally to revenue bonds
 17 and special assessment bonds, including provisions related to the
 18 issuance of those bonds, apply to refunding bonds of like kind
 19 authorized by this section. The refunding bonds may be sold and
 20 delivered in amounts necessary to pay [~~for~~] the principal,
 21 interest, and any redemption premium of the bonds [~~to be refunded~~],
 22 on the date of the maturity of the bonds [~~bond~~] or any redemption
 23 date of the bonds [~~bond~~].

24 (b) Refunding bonds may be issued for exchange with the
 25 bonds they are refunding. The comptroller of public accounts shall
 26 register refunding bonds described by this subsection and deliver
 27 the bonds to holders of bonds being refunded in accordance with the

1 ordinance, ~~[or]~~ order, or resolution authorizing the issuance of
2 refunding bonds. The exchange may be made in one delivery or
3 several installment deliveries.

4 (c) General obligation bonds and certificates of obligation
5 issued under this subchapter may be refunded in the manner provided
6 by law.

7 Sec. 372.028. APPROVAL AND REGISTRATION. (a) Revenue
8 bonds and special assessment bonds issued under this subchapter and
9 a record of the proceedings authorizing their issuance must be
10 submitted to the attorney general for examination. If revenue
11 bonds state that they are secured by a pledge of revenue or rentals
12 from a contract or lease, a copy of the contract or lease and a
13 description of the proceedings authorizing the contract or lease
14 must also be submitted to the attorney general.

15 (b) If the attorney general determines that the bonds were
16 authorized and the contracts or leases related to the bonds were
17 made in accordance with the law, the attorney general shall approve
18 the bonds and the contract or lease. After ~~[On the approval of]~~ the
19 attorney general approves the bonds and the contract or lease, the
20 comptroller of public accounts shall register the bonds.

21 (c) Bonds and contracts or leases approved and registered
22 under this section are:

23 (1) valid and binding obligations for all purposes in
24 accordance with their terms; and

25 (2) [are] ~~[are]~~ incontestable in any court or other forum.

26 (d) General obligation bonds and certificates of obligation
27 issued under this subchapter shall be approved and registered as

1 provided by law.

2 Sec. 372.029. AUTHORIZED INVESTMENTS; SECURITY.

3 (a) Bonds issued under this subchapter are legal and authorized
4 investments for:

5 (1) banks, trust companies, and savings and loan
6 associations;

7 (2) all insurance companies;

8 (3) fiduciaries, trustees, and guardians; and

9 (4) interest funds, sinking funds, and other public
10 funds of the state or of an agency, subdivision, or instrumentality
11 of the state, including a county, municipality, school district, or
12 other district, public agency, or body politic.

13 (b) Bonds issued under this subchapter may be security for
14 deposits of public funds of the state or of an agency, subdivision,
15 or instrumentality of the state, including a county, municipality,
16 school district, or other district, public agency, or body politic,
17 to the extent of the market value of the bonds, if accompanied by
18 any appurtenant [~~unmatured~~] interest coupons that have not matured.

19 Sec. 372.030. SUBCHAPTER NOT EXCLUSIVE. This subchapter is
20 an alternative to other methods by which a municipality may finance
21 public improvements under applicable law [~~by assessing property~~
22 ~~owners~~].

23 SECTION 46. (a) Section 372.1011, Local Government Code,
24 is amended to read as follows:

25 Sec. 372.1011. APPLICABILITY. This subchapter applies only
26 to:

27 (1) a county with a population of 1.2 million

1 [825,000] or more, other than a county that:

2 (A) borders on the Gulf of Mexico or a bay or
3 inlet of the gulf; or

4 (B) has two municipalities located wholly or
5 partly in its boundaries each having a population of 300,000 or
6 more; or

7 (2) a county with a population of 70,000 or more that
8 is adjacent to a county described by Subdivision (1) in which a
9 municipality with a population of 35,000 or more is primarily
10 situated and includes all or a part of the extraterritorial
11 jurisdiction of a municipality with a population of 1.1 million or
12 more.

13 (b) This section takes effect only if the Act of the 81st
14 Legislature, Regular Session, 2009, relating to nonsubstantive
15 additions to and corrections in enacted codes does not become law.
16 If the Act of the 81st Legislature, Regular Session, 2009, relating
17 to nonsubstantive additions to and corrections in enacted codes
18 becomes law, this section has no effect.

19 SECTION 47. Subchapter C, Chapter 372, Local Government
20 Code, is amended by adding Section 372.1245 to read as follows:

21 Sec. 372.1245. ANNEXATION OR EXCLUSION OF LAND. (a) A
22 district may annex or exclude land from the district as provided by
23 Subchapter J, Chapter 49, Water Code.

24 (b) Before a district may adopt an order adding or excluding
25 land, the district must obtain the consent of:

26 (1) the county that created the district by a
27 resolution of the county commissioners court; and

1 (2) a municipality in which the district is located,
2 or in whose extraterritorial jurisdiction the district is located,
3 by a resolution adopted by the municipality's governing body.

4 SECTION 48. Section 372.127(c), Local Government Code, is
5 amended to read as follows:

6 (c) A county must adopt an order providing whether a
7 district has the authority to impose a hotel occupancy tax, sales
8 and use tax, or ad valorem tax, and must provide the maximum rate at
9 which the district may impose the tax. [~~A tax rate approved by the
10 commissioners court and pledged to secure bonds, notes, grant
11 agreements, or development agreements may not be reduced until the
12 obligations of those instruments have been satisfied.~~]

13 SECTION 49. (a) Section 382.002, Local Government Code, is
14 amended to read as follows:

15 Sec. 382.002. APPLICABILITY. This chapter applies only
16 to:

17 (1) a county with a population of 1.2 million
18 [~~825,000~~] or more, other than a county that:

19 (A) borders on the Gulf of Mexico or a bay or
20 inlet of the gulf; or

21 (B) has two municipalities located wholly or
22 partly in its boundaries each having a population of 300,000 or
23 more; or

24 (2) a county with a population of 70,000 or more that
25 is adjacent to a county described by Subdivision (1) in which a
26 municipality with a population of 35,000 or more is primarily
27 situated and includes all or a part of the extraterritorial

1 jurisdiction of a municipality with a population of 1.1 million or
2 more.

3 (b) This section takes effect only if the Act of the 81st
4 Legislature, Regular Session, 2009, relating to nonsubstantive
5 additions to and corrections in enacted codes becomes law. If the
6 Act of the 81st Legislature, Regular Session, 2009, relating to
7 nonsubstantive additions to and corrections in enacted codes does
8 not become law, this section has no effect.

9 SECTION 50. Subchapter C, Chapter 382, Local Government
10 Code, is amended by adding Section 382.113 to read as follows:

11 Sec. 382.113. ANNEXATION OR EXCLUSION OF LAND. (a) A
12 district may annex or exclude land from the district as provided by
13 Subchapter J, Chapter 49, Water Code.

14 (b) Before a district may adopt an order adding or excluding
15 land, the district must obtain the consent of:

16 (1) the county that created the district by a
17 resolution of the county commissioners court; and

18 (2) a municipality in which the district is located,
19 or in whose extraterritorial jurisdiction the district is located,
20 by a resolution adopted by the municipality's governing body.

21 SECTION 51. Section 382.153(c), Local Government Code, is
22 amended to read as follows:

23 (c) A county must adopt an order providing whether a
24 district has the authority to impose a hotel occupancy tax, sales
25 and use tax, or ad valorem tax, and must provide the maximum rate at
26 which the district may impose the tax. [~~A tax rate approved by the~~
27 ~~commissioners court and pledged to secure bonds, notes, grant~~

1 ~~agreements, or development agreements may not be reduced until the~~
2 ~~obligations of those instruments have been satisfied.]~~

3 SECTION 52. Section 387.003, Local Government Code, is
4 amended by amending Subsections (a), (b), (b-1), (c), (e), (f), and
5 (h) and adding Subsections (a-1), (i), and (j) to read as follows:

6 (a) The commissioners court of the county may call an
7 election on the question of creating a county assistance district
8 under this chapter. More than one county assistance district may be
9 created in a county, but not more than one county assistance
10 district may be created in a commissioner's precinct.

11 (a-1) A district may ~~to~~ perform the following functions in
12 the district:

13 (1) the construction, maintenance, or improvement of
14 roads or highways;

15 (2) the provision of law enforcement and detention
16 services;

17 (3) the maintenance or improvement of libraries,
18 museums, parks, or other recreational facilities;

19 (4) the provision of services that benefit the public
20 health or welfare, including the provision of firefighting and fire
21 prevention services; or

22 (5) the promotion of economic development and tourism.

23 (b) The order calling the election must:

24 (1) define the boundaries of the district to include
25 any portion of the county in which the combined tax rate of all
26 local sales and use taxes imposed, including the rate to be imposed
27 by the district if approved at the election, would not exceed the

1 maximum combined rate of sales and use taxes imposed by political
2 subdivisions of this state that is prescribed by Sections 321.101
3 and 323.101, Tax Code [~~two percent~~]; and

4 (2) call for the election to be held within those
5 boundaries.

6 (b-1) If the proposed district includes any territory of a
7 municipality, the commissioners court shall send notice by
8 certified mail to the governing body of the municipality of the
9 commissioners court's intent to create the district. If the
10 municipality has created a development corporation under Chapter
11 504 or 505, Local Government Code [~~Section 4A or 4B, Development~~
12 ~~Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil~~
13 ~~Statutes)~~], the commissioners court shall also send the notice to
14 the board of directors of the corporation. The commissioners court
15 must send the notice not later than the 60th day before the date the
16 commissioners court orders the election. The governing body of the
17 municipality may exclude the territory of the municipality from the
18 proposed district by sending notice by certified mail to the
19 commissioners court of the governing body's desire to exclude the
20 municipal territory from the district. The governing body must
21 send the notice not later than the 45th day after the date the
22 governing body receives notice from the commissioners court under
23 this subsection. The territory of a municipality that is excluded
24 under this subsection may subsequently be included in:

25 (1) the district in an election held under Subsection
26 (f) with the consent of the municipality; or

27 (2) another district after complying with the

1 requirements of this subsection and after an election under
2 Subsection (f).

3 (c) The ballot at the election must be printed to permit
4 voting for or against the proposition: "Authorizing the creation
5 of the ____ County Assistance District No.____ (insert name of
6 district) and the imposition of a sales and use tax at the rate of
7 ____ [~~of one~~] percent (insert [~~one-eighth, one-fourth,~~
8 ~~three-eighths, or one-half, as~~] appropriate rate) for the purpose
9 of financing the operations of the district."

10 (e) If a majority of the votes received at the election are
11 against the creation of the district, the district is not created
12 and the county at any time may call one or more elections [~~another~~
13 ~~election~~] on the question of creating one or more [~~a~~] county
14 assistance districts [~~district may not be held in the county before~~
15 ~~the first anniversary of the most recent election concerning the~~
16 ~~creation of a district~~].

17 (f) The commissioners court may call an election to be held
18 in an area of the county that is not located in a district created
19 under this section to determine whether the area should be included
20 in the district and whether the district's sales and use tax should
21 be imposed in the area. An election may not be held in an area in
22 which the combined tax rate of all local sales and use taxes
23 imposed, including the rate to be imposed by the district if
24 approved at the election, would exceed the maximum combined rate of
25 sales and use taxes imposed by political subdivisions of this state
26 that is prescribed by Sections 321.101 and 323.101, Tax Code [~~two~~
27 ~~percent~~].

1 (h) If more than one election to authorize a local sales and
2 use tax is held on the same day in the area of a proposed district or
3 an area proposed to be added to a district and if the resulting
4 approval by the voters would cause the imposition of a local sales
5 and use tax in any area to exceed the maximum combined rate of sales
6 and use taxes of political subdivisions of this state that is
7 prescribed by Sections 321.101 and 323.101, Tax Code [~~two percent~~],
8 only a tax authorized at an election under this section may be
9 imposed.

10 (i) In addition to the authority to include an area in a
11 district under Subsection (f), the governing body of a district by
12 order may include an area in the district on receipt of a petition
13 or petitions signed by the owner or owners of the majority of the
14 land in the area to be included in the district. If there are no
15 qualified voters in the area to be included in the district, no
16 election is required.

17 (j) The commissioners court by order may exclude an area
18 from the district if the district has no outstanding bonds payable
19 wholly or partly from sales and use taxes and the exclusion does not
20 impair any outstanding district debt or contractual obligation.

21 SECTION 53. Section 387.005, Local Government Code, is
22 amended to read as follows:

23 Sec. 387.005. GOVERNING BODY. (a) The commissioners
24 court of the county in which the district is created by order shall
25 provide that:

26 (1) the commissioners court is the governing body of
27 the district; or

1 (2) the commissioners court shall appoint a governing
2 body of the district.

3 (b) A member of the governing body of the district
4 ~~[commissioners court]~~ is not entitled to compensation for service
5 ~~[on the governing body of the district]~~ but is entitled to
6 reimbursement for actual and necessary expenses.

7 (c) A board of directors appointed by the commissioners
8 court under this section shall consist of five directors who serve
9 staggered terms of two years. To be eligible to serve as a
10 director, a person must be at least 18 years of age and a resident of
11 the county in which the district is located. The initial directors
12 shall draw lots to achieve staggered terms, with three of the
13 directors serving one-year terms and two of the directors serving
14 two-year terms.

15 SECTION 54. Section 387.006(a), Local Government Code, is
16 amended to read as follows:

17 (a) A district may:

18 (1) perform any act necessary to the full exercise of
19 the district's functions;

20 (2) accept a grant or loan from:

21 (A) the United States;

22 (B) an agency or political subdivision of this
23 state; or

24 (C) a public or private person;

25 (3) acquire, sell, lease, convey, or otherwise dispose
26 of property or an interest in property under terms determined by the
27 district;

- 1 (4) employ necessary personnel; ~~and~~
2 (5) adopt rules to govern the operation of the
3 district and its employees and property; and
4 (6) enter into agreements with municipalities
5 necessary or convenient to achieve the district's purposes,
6 including agreements regarding the duration, rate, and allocation
7 between the district and the municipality of sales and use taxes.

8 SECTION 55. Section 387.007, Local Government Code, is
9 amended by amending Subsection (b) and adding Subsection (c) to
10 read as follows:

11 (b) A district may not adopt a sales and use tax under this
12 chapter if the adoption of the tax would result in a combined tax
13 rate of all local sales and use taxes that would exceed the maximum
14 combined rate prescribed by Sections 321.101 and 323.101, Tax Code,
15 ~~[of more than two percent]~~ in any location in the district.

16 (c) A district may define areas in the district to pay for
17 improvements, facilities, or services that primarily benefit that
18 area and do not generally and directly benefit the district as a
19 whole. The district may impose different rates of sales and use tax
20 in each defined area, provided that the sales and use tax rate does
21 not exceed the rate approved at an election held under Section
22 387.003.

23 SECTION 56. Section 387.009, Local Government Code, is
24 amended to read as follows:

25 Sec. 387.009. TAX RATE. The rate of a tax adopted under
26 this chapter must be in increments of one-eighth~~[, one-fourth,~~
27 ~~three-eighths, or one-half]~~ of one percent.

1 SECTION 57. Sections 387.010(a), (b), and (c), Local
2 Government Code, are amended to read as follows:

3 (a) A district that has adopted a sales and use tax under
4 this chapter may, by order and subject to Section 387.007(b):

5 (1) reduce [~~, change~~] the rate of the tax or repeal the
6 tax without an election, except that the district may not repeal the
7 sales and use tax or reduce the rate of the sales and use tax below
8 the amount pledged to secure payment of an outstanding district
9 debt or contractual obligation;

10 (2) increase the rate of the sales and use tax, if the
11 increased rate of the sales and use tax will not exceed the rate
12 approved at an election held under Section 387.003; or

13 (3) increase the rate of the sales and use tax to a
14 rate that exceeds the rate approved at an election held under
15 Section 387.003 after [~~if~~] the increase [~~change or repeal~~] is
16 approved by a majority of the votes received in the district at an
17 election held for that purpose.

18 (b) The tax may be changed under Subsection (a) in one or
19 more increments of one-eighth of one percent [~~to a maximum of~~
20 ~~one-half of one percent~~].

21 (c) The ballot for an election to increase [~~change~~] the tax
22 shall be printed to permit voting for or against the proposition:
23 "The increase [~~change~~] of a sales and use tax for the ____ County
24 Assistance District No. ____ (insert name of district) from the rate
25 of ____ [~~of one~~] percent (insert [~~one-fourth, three-eighths, or~~
26 ~~one-half, as~~] appropriate rate) to the rate of ____ [~~of one~~] percent
27 (insert [~~one-fourth, three-eighths, or one-half, as~~] appropriate

1 rate)."

2 SECTION 58. Section 387.012, Local Government Code, is
3 amended to read as follows:

4 Sec. 387.012. EFFECTIVE DATE OF TAX. The adoption of the
5 tax, the increase or reduction [~~change~~] of the tax rate, or the
6 repeal of the tax takes effect on the first day of the first
7 calendar quarter occurring after the expiration of the first
8 complete quarter occurring after the date the comptroller receives
9 a copy of the order of the district's governing body [~~notice of the~~
10 ~~results of the election~~] adopting, increasing, reducing
11 [~~changing~~], or repealing the tax.

12 SECTION 59. Section 162.001, Occupations Code, is amended
13 by amending Subsection (a) and adding Subsection (d) to read as
14 follows:

15 (a) The board by rule shall certify a health organization
16 that:

17 (1) applies for certification on a form approved by
18 the board; [~~and~~]

19 (2) presents proof satisfactory to the board that the
20 organization meets the requirements of Subsection (b), [~~or~~] (c), or
21 (d); and

22 (3) states that the health organization has consulted
23 with the organization's medical staff before filing an application
24 for certification under Subsection (d), if appropriate.

25 (d) The board shall certify a health organization to employ
26 physicians licensed by the board if the organization is in
27 compliance with Subchapter E, Chapter 311, Health and Safety Code,

1 and this subchapter, including board rules.

2 SECTION 60. Subchapter A, Chapter 162, Occupations Code, is
3 amended by adding Sections 162.004 through 162.007 to read as
4 follows:

5 Sec. 162.004. EMPLOYER AND EMPLOYEE REQUIREMENTS. The
6 following requirements apply to an organization certified under
7 Section 162.001(d) that employs physicians:

8 (1) the organization shall ensure that each physician
9 retains independent medical judgment in providing care to patients
10 at the organization and may not be penalized for reasonably
11 advocating for patient care;

12 (2) the organization shall provide a certain portion
13 of medical services free of charge, or at a reduced fee commensurate
14 with a patient's ability to pay;

15 (3) a physician employed by the organization shall
16 participate in the provision of services under Subdivision (2);

17 (4) an organization may not include or enforce a
18 noncompete clause in a physician employment contract or condition
19 privileges on the continuation or termination of an employment
20 contract; and

21 (5) a physician who has privileges at the organization
22 and is employed by the hospital and a physician who is not employed
23 by the hospital must be given equal consideration and treatment in
24 the creation and execution of all medical staff bylaw provisions
25 regardless of the physician's employer.

26 Sec. 162.005. FEES; ENFORCEMENT. (a) The board may charge
27 a reasonable fee as necessary for the certification of an

1 organization under Section 162.001(d) and for the investigation,
2 review, and enforcement of the organization's compliance with this
3 subchapter and Subchapter E, Chapter 311, Health and Safety Code.

4 (b) The board may adopt and impose fines and administrative
5 remedies, including the revocation of certification under Section
6 162.003, for a violation of this subchapter or Subchapter E,
7 Chapter 311, Health and Safety Code.

8 Sec. 162.006. BIENNIAL COMPLIANCE STATEMENT. When an
9 organization applies for certification, and every two years after
10 that date, an organization seeking certification under Section
11 162.001(d) shall provide to the board a compliance statement signed
12 by the organization's chief executive officer attesting that the
13 organization is in compliance with all requirements for
14 certification and continued certification, including the
15 requirements of this subchapter and Subchapter E, Chapter 311,
16 Health and Safety Code.

17 Sec. 162.007. DOCUMENTS IN SUPPORT OF CERTIFICATION AND
18 BIENNIAL COMPLIANCE STATEMENTS. (a) An organization shall submit
19 to the board at the time application for certification under
20 Section 162.001(d) is made a copy of the hospital's policies,
21 bylaws, and medical staff bylaws that demonstrate compliance with
22 the requirements of this subchapter and Subchapter E, Chapter 311,
23 Health and Safety Code.

24 (b) An organization certified under Section 162.001(d)
25 shall submit to the board as part of the organization's biennial
26 compliance statement copies of any changes or amendments to the
27 hospital's bylaws, policies, and medical staff bylaws that were

1 submitted to the board after the organization's initial approved
2 application for certification.

3 SECTION 61. Section 1702.104(b), Occupations Code, is
4 amended to read as follows:

5 (b) For purposes of Subsection (a)(1), "obtaining or
6 furnishing information" includes information obtained or furnished
7 through the review and analysis of, and the investigation into the
8 content of, computer-based data not available to the public.
9 "Obtaining or furnishing information" does not include information
10 obtained or furnished by an information technology professional who
11 is an employee of a county and who is:

12 (1) in the course and scope of employment, installing
13 or repairing computer equipment belonging to the county or is
14 examining the cause for required repair; and

15 (2) not performing any other act that requires a
16 license under this chapter.

17 SECTION 62. Chapter 51, Property Code, is amended by adding
18 Section 51.0022 to read as follows:

19 Sec. 51.0022. FORECLOSURE DATA COLLECTION. (a) In this
20 section, "department" means the Texas Department of Housing and
21 Community Affairs.

22 (b) A person filing a notice of sale of residential property
23 under Section 51.002(b) must submit to the county clerk a completed
24 form that provides the zip code for the property.

25 (c) On completion of a sale of real property, the trustee or
26 sheriff shall submit to the county clerk a completed form that
27 contains information on whether the property is residential and the

1 zip code of the property.

2 (d) Not later than the 30th day after the date of receipt of
3 a form under this section, the county clerk shall transmit the form
4 to the department.

5 (e) The board of the department shall prescribe the forms
6 required under this section. The forms may only request
7 information on whether the property is residential and the zip code
8 of the property.

9 (f) The department shall report the information received
10 under this section quarterly to the legislature in a format
11 established by the board of the department by rule.

12 SECTION 63. Articles 20.011(a) and 20.02(b), Code of
13 Criminal Procedure, as amended by this Act, and Article 20.151,
14 Code of Criminal Procedure, as added by this Act, apply only to
15 testimony before a grand jury that is impaneled on or after the
16 effective date of this Act.

17 SECTION 64. Article 27.18, Code of Criminal Procedure, as
18 amended by this Act, applies to a plea of guilty or nolo contendere
19 entered on or after the effective date of this Act, regardless of
20 whether the offense with reference to which the plea is entered is
21 committed before, on, or after that date.

22 SECTION 65. Article 38.073, Code of Criminal Procedure, as
23 amended by this Act, applies only to the testimony of an inmate
24 witness that is taken on or after the effective date of this Act.

25 SECTION 66. Notwithstanding Sections 2 and 3, Article
26 49.25, Code of Criminal Procedure, as amended by this Act, a person
27 serving as the chief medical examiner or a deputy medical examiner

1 for a medical examiners district or county in this state on the
2 effective date of this Act is not required to be board certified in
3 anatomic and forensic pathology by the American Board of Pathology
4 to continue to hold that position of chief medical examiner or
5 deputy medical examiner for that district or county.

6 SECTION 67. (a) Section 61.001(f), Government Code, as
7 amended by this Act, applies only to a disbursement for the
8 reimbursement for jury service expenses on or after the effective
9 date of this Act.

10 (b) The changes in law made by Sections 262.003, 262.023,
11 271.024, and 363.156, Local Government Code, as amended by this
12 Act, apply only to a purchase made or contract executed on or after
13 the effective date of this Act. A purchase made or contract
14 executed before the effective date of this Act is governed by the
15 law in effect immediately before that date, and the former law is
16 continued in effect for that purpose.

17 (c) The board of the Texas Department of Housing and
18 Community Affairs shall adopt the forms and rules required by
19 Section 51.0022, Property Code, as added by this Act, not later than
20 January 1, 2010.

21 (d) The change in law made by Section 51.0022, Property
22 Code, as added by this Act, applies only to a notice of sale filed on
23 or after January 1, 2010. A notice of sale filed before January 1,
24 2010, is governed by the law in effect immediately before that date,
25 and the former law is continued in effect for that purpose.

26 SECTION 68. The change in law made by Sections 250.003 and
27 250.004, Local Government Code, is effective on or after January 1,

1 2010.

2 SECTION 69. All governmental acts and proceedings of a
3 governmental body of a municipality or county under Subchapter A,
4 Chapter 372, Local Government Code, as that subchapter existed
5 before the effective date of this Act, to establish a public
6 improvement district, designate improvements, levy assessments,
7 and finance costs of improvements in response to a petition filed
8 with the governing body that conformed to the requirements of
9 Section 372.005, Local Government Code, as that section existed
10 before the effective date of this Act, are validated and confirmed
11 in all respects.

12 SECTION 70. (a) The legislature validates and confirms all
13 governmental acts and proceedings before the effective date of this
14 Act of a district created under Subchapter C, Chapter 372, Local
15 Government Code, as that chapter existed before the effective date
16 of this Act, including acts of the district's board of directors.

17 (b) Subsection (a) of this section does not apply to a
18 matter that on the effective date of this Act:

19 (1) is involved in litigation, if the litigation
20 ultimately results in the matter being held invalid by a final court
21 judgment; or

22 (2) has been held invalid by a final court judgment.

23 SECTION 71. (a) The sections of this Act amending
24 Subchapter C, Chapter 372, Local Government Code, as amended by
25 this Act, take effect only if the Act of the 81st Legislature,
26 Regular Session, 2009, relating to nonsubstantive additions to and
27 corrections in enacted codes does not become law. If the Act of the

1 81st Legislature, Regular Session, 2009, relating to
2 nonsubstantive additions to and corrections in enacted codes
3 becomes law, the sections of this Act amending Subchapter C,
4 Chapter 372, Local Government Code, as amended by this Act, have no
5 effect.

6 (b) The sections of this Act amending Chapter 382, Local
7 Government Code, take effect only if the Act of the 81st
8 Legislature, Regular Session, 2009, relating to nonsubstantive
9 additions to and corrections in enacted codes becomes law. If the
10 Act of the 81st Legislature, Regular Session, 2009, relating to
11 nonsubstantive additions to and corrections in enacted codes does
12 not become law, the sections of this Act amending Chapter 382, Local
13 Government Code, have no effect.

14 SECTION 72. Section 13, Article 49.25, Code of Criminal
15 Procedure, is repealed.

16 SECTION 73. Section 387.010(d), Local Government Code, is
17 repealed.

18 SECTION 74. This Act takes effect September 1, 2009.

President of the Senate

Speaker of the House

I certify that H.B. No. 3485 was passed by the House on May 12, 2009, by the following vote: Yeas 149, Nays 0, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 3485 on May 29, 2009, by the following vote: Yeas 142, Nays 2, 1 present, not voting; and that the House adopted H.C.R. No. 282 authorizing certain corrections in H.B. No. 3485 on June 1, 2009, by the following vote: Yeas 145, Nays 0, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 3485 was passed by the Senate, with amendments, on May 26, 2009, by the following vote: Yeas 27, Nays 4; and that the Senate adopted H.C.R. No. 282 authorizing certain corrections in H.B. No. 3485 on June 1, 2009, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor